AD NUMBER
ADB006739
LIMITATION CHANGES

TO:

Approved for public release; distribution is unlimited.

FROM:

Distribution authorized to U.S. Gov't. agencies only; Proprietary Information; 30 SEP 1976. Other requests shall be referred to Army Command and General Staff College, Attn: ATSW-DD, Fort Leavenwoth, KS 66027.

AUTHORITY

ODDR&E ltr 20 Jan 1976

An Analysis of the Process of Management by Objectives Adapted to an Army
Battalion

D. Brent Pope, MAJ, USA
U.S. Army Command and General Staff College
Fort Leavenworth, Kansas   66027

Final report 6 June 1975

Distribution limited to U.S. Government agencies only; proprietary information.
Other requests for this document must be referred to U.S. Army Command and
General Staff College, ATTN: ATSW-DD, Fort Leavenworth, Kansas   66027.

A thesis presented to the faculty of the U.S. Army Command and General Staff
College, Fort Leavenworth, Kansas   66027
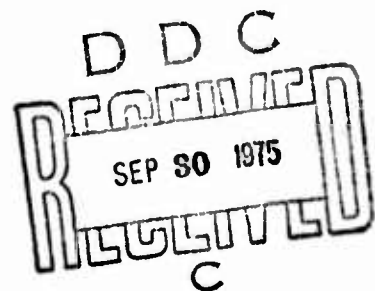
DISCLAIMER NOTICE
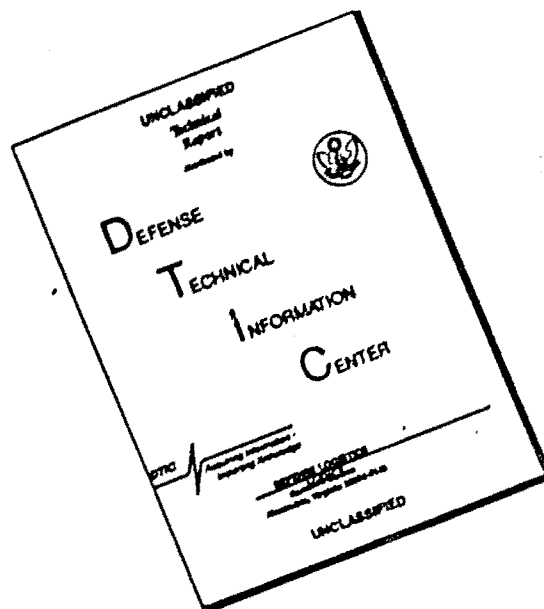
THIS DOCUMENT IS BEST QUALITY AVAILABLE. THE COPY FURNISHED TO DTIC CONTAINED A SIGNIFICANT NUMBER OF PAGES WHICH DO NOT REPRODUCE LEGIBLY.

SECURITY CLASSIFICATION OF THIS PAGE *(When Data Entered)*

REPORT DOCUMENTATION PAGE		READ INSTRUCTIONS BEFORE COMPLETING FORM
1. REPORT NUMBER	**2. GOVT ACCESSION NO.**	**3. RECIPIENT'S CATALOG NUMBER**
4. TITLE *(and Subtitle)* An Analysis of the Process of Management by Objectives Adapted to an Army Battalion		**5. TYPE OF REPORT & PERIOD COVERED** Final report 6 Jun 75
		6. PERFORMING ORG. REPORT NUMBER
7. AUTHOR(s) Pope, D. Brent, MAJ, USA		**8. CONTRACT OR GRANT NUMBER(s)**
9. PERFORMING ORGANIZATION NAME AND ADDRESS Student at the U.S. Army Command and General Staff College, Fort Leavenworth, Kansas 66027		**10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS**
11. CONTROLLING OFFICE NAME AND ADDRESS US Army Command and General Staff College ATTN: ATSW-DD Fort Leavenworth, Kansas 66027		**12. REPORT DATE** 6 Jun 75
		13. NUMBER OF PAGES 119
14. MONITORING AGENCY NAME & ADDRESS*(if different from Controlling Office)*		**15. SECURITY CLASS.** *(of this report)* Unclassified
		15a. DECLASSIFICATION/DOWNGRADING SCHEDULE 30 SEP 1975

16. DISTRIBUTION STATEMENT *(of this Report)*

Distribution limited to U.S. Government agencies only: Proprietary Information. Other requests for this document must be referred to U.S. Army Command and General Staff College, Fort Leavenworth, Kansas 66027.

17. DISTRIBUTION STATEMENT *(of the abstract entered in Block 20, if different from Report)*

18. SUPPLEMENTARY NOTES

Master of Military Art and Science (MMAS) Thesis prepared at CGSC in partial fulfillment of the Masters Program requirements, U.S. Army Command and General Staff College, Fort Leavenworth, Kansas 66027

19. KEY WORDS *(Continue on reverse side if necessary and identify by block number)*

20. ABSTRACT *(Continue on reverse side if necessary and identify by block number)*

See reverse.

DD FORM 1473 **EDITION OF 1 NOV 65 IS OBSOLETE**

SECURITY CLASSIFICATION OF THIS PAGE *(When Data Entered)*

This thesis provides an analysis of Management by Objectives and its probable application as a management technique in an Army active duty battalion in a peacetime environment. The study reviews the need for a more systematic, and yet people centered, approach to management of Army units in view of changes that have taken place in recent years. Research encompasses the basis for Management by Objectives and its successes and failures in business, education, government and other military environments. This effort has been designed to examine problems related to implementation that may assist in Management by Objectives application in the Army. Based upon this research and the author's personal experience, a proposed system for use in an Army battalion is presented.

The overall objective of this project is to provide future battalion commanders a guide to:

-Assist in their decision to implement or not implement Management by Objectives.

-Propose a system for application of Management by Objectives in an Army active duty battalion.

This study concludes that Management by Objectives is an effective method of combining the experience of proven techniques from business and industry with developments in the behavioral sciences in a management process that maximizes the attributes of both.

AN ANALYSIS OF THE PROCESS OF

MANAGEMENT BY OBJECTIVES

ADAPTED TO AN ARMY BATTALION

A thesis presented to the Faculty of the U.S. Army
Command and General Staff College in partial
fulfillment of the requirements of the
degree

MASTER OF MILITARY ART AND SCIENCE

by

D. BRENT POPE, MAJ, USA
B.S., United States Military Academy, 1963
M.A, Athens College, 1969
M.B.A., University of Utah, 1973

Fort Leavenworth, Kansas
1975

51.5-3150

Title - "An Analysis of the Process of Management By Objectives

Adapted to an Army Battalion"

Author - MAJOR D. Brent Pope

Date - 15 May 1975

Number of Pages - 121

Summary - This thesis provides an analysis of Management By Objectives (MBO) and its probable application as a management technique in an Army active duty battalion in a peacetime environment. Research encompasses the basis for MBO and reported successes and failures of this approach in different types of organizations. Implementation problems are examined and key areas are emphasized to improve the probability of success. The overall objectives of this paper are to provide commanders a guide to:

-Assist in their decision to implement or not implement MBO.

-Provide a system for application of MBO in an Army active duty Battalion.

ABSTRACT

This thesis provides an analysis of Management by
Objectives and its probable application as a management technique
in an Army active duty battalion in a peacetime environment.
The study reviews the need for a more systematic, and yet
people centered, approach to management of Army units in view
of changes that have taken place in recent years. Research
encompasses the basis for Management by Objectives and its
successes and failures in business, education, government and
other military environments. This effort has been designed
to examine problems related to implementation that may assist
in Management by Objectives application in the Army. Based
upon this research and the author's personal experience, a
proposed system for use in an Army battalion is presented.
Implementation problems are examined and key areas are empha-
sized to improve the probability of success. The overall objective
of this project is to provide future battalion commanders a
guide to:

-Assist in their decision to implement or not implement
Management by Objectives.

-Propose a system for application of Management by Objectives
in an Army active duty battalion.

This study concludes that Management by Objectives is an
effective method of combining the experience of proven techniques
from business and industry with developments in the behavioral
sciences in a management process that maximizes the attributes
of both. A review of case studies where the process has been
applied reveals significant improvement in goal direction,

planning and communication. From many successful applications in different types of organizations this approach has demonstrated universal relevance. It is significant to note that all cases examined claimed major improvements with this technique. The adaptation of Management by Objectives to an Army battalion requires an in-depth understanding of the key elements of the process and the basic factors of human motivation. With a thorough analysis of the battalion's functions and a careful, systematic approach, the technique can be tailored in a manner that provides the managerial environment for maximum focused improvement.

TABLE OF CONTENTS

A Philosophy of Management

What the business enterprise needs is a
principle of management that will give full
scope to individual strength and responsibility,
and at the same time give common direction of
vision and effort, establish team work and
harmonize the goals of the individual with the
common weal.

The only principle that can do this is
management by objectives and self-control. It
makes the common weal the aim of every manager.
It substitutes for control from the outside the
stricter, more exacting and more effective con-
trol from the inside. It motivates the manager
to action not because somebody tells him to do
something or talks him into doing it, but because
the objective needs of his task demand it. He
acts not because somebody wants him to but
because he himself decides that he has to - he
acts, in other words, as a free man. 1

1. Drucker, P. P. The Practice of Management, 1954, pp.135-136.

INTRODUCTION

Army Regulation 5-1 entitled "Army Management Doctrine" provides basic guidance for management throughout this service. It is interesting to examine some of the stated policies within the framework of the current environment:

> 5. Army Management Policies
> ....
> d. Decentralization.
> (1) Delegation of authority commensurate with the assignment of responsibility should be made down to the lowest practicable level within an organization. Lines of authority should be clearly defined so that responsible individuals can be identified and held accountable....
>
> g. Objectives. Management objectives must be clearly stated, attainable, and make efficient use of available resources. Objectives should be communicated to all levels....
>
> k. Job Satisfaction. For most persons work itself can be satisfying. Direct personal satisfaction and a sense of achievement can be obtained from doing a meaningful job well....
>
> l. Recognition. Individuals, groups or organizations making exceptional contributions toward greater productivity...should be appropriately recognized by their leaders in a significant way. 2

'Decentralization', 'objectives', 'job satisfaction', 'recognition' - all of these elements are integral parts of successful Management by Objectives (MBO) programs that have been used by the leading organizations in business and industry for many years. The point here is that the Army has an excellent foundation for obtaining highest accomplishments through application of stated policy in day to day management of personnel. Most of the ingredients for a successful program are given as

---

2. US Army Regulation 5-1, 6 August 1973, p. 2.

doctrine and closely parallel the better practices supported by many business management consultants. Yet what has been given in theory is difficult and complex in its application to the real life environment of the Army.

During the past ten years the Army has experienced major changes in ever increasing frequencies. Tensions throughout the world placed heavy requirements upon the military organizations. 'Management by crisis' developed as a way of life during the Vietnam era and to some extent continues today. In the sense that resources appeared to many as unlimited during the years in Southeast Asia, many of the middle managers may continue to plan under that assumption. Rapid personnel turnover on virtually all positions provided major disruptions in operations. This continuing fluctuation of people through various positions of responsibility did not allow for goal continuity or planning in a real sense. While the battalion and company command periods have been lengthened to eighteen months, much of this short term thinking prevails in the way daily business is conducted in this service. Perhaps there was an excuse then -- there is no excuse now. Yet many continue to look for quick solutions to complex problems and violate the stated basic principles of sound management. Examples are not hard to find.

An attempt at centralized control from Department of the Army level has restricted the output of line officers to the point that the cost is difficult to imagine. Army Regulations, Directives, Circulars and other 'guidelines' have become so numerous that the overall effect forces a commander to live

under constant threat of violating something anytime he takes
action. Research engulfs hours of precious commander and staff
time and develops staff experts on inaction. Take, for example,
the unit fund at company level. Originally established to pro-
vide unit commanders a small amount of cash to improve morale
and welfare of their personnel, the administrative requirements
are far out of proportion to the benefits received. One of
these regulations even went so far as to specify the type of
tape to be used in fixing the label to the records binder.
For a company of two hundred people, the commander receives
approximately one hundred dollars a month and loses at least
an equal amount in administrative costs. The problem is not
so much expense, as it is lost time that could have been used
towards some meaningful objectives. How can one measure the
loss in unit readiness management? What could the commander
accomplish once allowed to expend those two to four hours
towards unit training objectives? The unit fund is only one
minor administrative task - how many others occupy his time?

Approximately three years ago indications in Germany re-
vealed that drug problems in the United States Army, Europe,
were getting out of hand. One brigade commander attempted to
solve the problem by having all the doors removed in his
billets, stripping all rooms of everything save for bare
essentials and placing guards in the hallways. The immed-
iate effect undoubtedly reduced drug abuse in the billets, but
what were the long term effects on the brigade and the Army?
Word spread quickly and the issue became one of basic human
rights - not drug abuse. The overall effect deepened a com-

mur   ations gap between commanders and unit personnel and severely upset morale in and around the area. The brigade commander was determined to solve a very difficult problem in our society in the best way he knew - a return to the 'old Army.' The decision was centralized, quick, simple and in the end hurt a lot of good people. Finally, someone saw the mistake and allowed the company commanders the latitude of eliminating incorrigable drug abusers. The situation changed rapidly and the Army in Europe has been markedly improved.

In many instances, actions taken by a higher headquarters to evaluate or force a desired status at lower levels develops a 'whip lash' effect or over-reaction at battalion or company. Again, in Germany several higher headquarters established 'road-side-spot-check' (surprise) inspections to determine the status of unit vehicular maintenance. A commander quickly learned that a failure or two could adversely affect his unit standing on the maintenance readiness status chart at his higher headquarters. Since the probability of an inspection was relatively low relative to the number of vehicles assigned, a failure of one vehicle out of three inspected would put his quarterly 'road-side' status at below an acceptable level of seventy per cent. Failure brought increasingly severe letters and required extensive paperwork 'research' to justify an excuse. In one instance, the battalion commander restricted dispatch of vehicles off post to only those vehicles personally checked by himself or his executive officer (others used threats - to include non-judicial punishment). Under these

circumstances, a commander responsible for hundreds of people
and millions of dollars of equipment performs the tasks of a
motor pool mechanic. Unit commanders, platoon leaders, motor
sergeants and mechanics see their responsibility and sense of
personal worth degraded. In such a situation, inaction appears
to be the best alternative and people commit themselves to ac-
tivity unrelated to their work. This over-control from the top
is the nemesis of many large organizations and appears to
result from a lack of knowledge or trust of subordinate elements.
Yet such actions continue in this and many other forms. What
happens to a command over a prolonged period of time under
such restraints? Is it necessary? Is there a better way to
achieve the desired status?

These are only a few of many examples that continue through-
out the Army. Some will require change in thinking at highest
levels, and are presented here only to demonstrate the magni-
tude of the problem. All three situations can be related to a
disregard of stated policies. The overwhelming proliferation
of paper controls from Washington down robs critical management
time and frustrates the highest initiatives in even the best
leaders. The snap solution in the brigade example undermines
initiative at the lower level of management and reduces (in
some cases eliminates) channels of communication. The 'road-
side-spot-check' is just one example of many 'whip lash' effects
initiated by higher headquarters. These are only a few of many
examples that demand preventive action. When one considers
additions of intervening headquarters down to units, the re-

strictive effects are multiplied. The policy has been stated, but the breakdown is in its implementation. Managem   · Objectives (MBO) has provided the means for other large organizations to untangle similar bureaucratic jungles and may provide the vehicle for change in the way resouces are managed in the Army. Initiation of MBO or similar programs forces application of these basic principles in an advanced stage of management.

This is not to say that Army management is completely out of touch with modern techniques. Attempts are being made at the present time to implement MBO in many Army organizations. Some of the better management tools have had roots in the service (operations research, systems analysis, etc.) and have led the way in new industrial developments. Unfortunately, much of what has been developed recently either excludes people (the completely automated or mechanized systems) or only relates to their welfare (increases in pay, liberalized leave and pass policies, etc.). There appears to be a failure to concentrate on the vital link between Army personnel and their work. An examination of the total job environment must become a part of the new approach. The future demands this change in emphasis.

The October 1973 Middle East War revealed new insights in the conduct of war. Extremely high loss rates of equipment due to modern weapons and technical innovations in tracing radio signals (and their subsequent destruction) demands that the ability be developed for individual action at the lowest levels. The training requirements at the battalion and company level

have been intensified. The efficient use of time is a critical factor. Units must be prepared for immediate entry into combat and be able to provide support for an extensive rate of attrition on short notice. Inflationary cost increases and resources limitations require critical examination of the management structure to maximize the contribution of people at all levels and allow freedom for innovation. The volunteer Army is coming into its own and most of its people today can and want to be professionally oriented. The leadership consists of a wealth of highly motivated young officers, many of whom have had combat experience and are prepared to contribute extensively to innovations towards objective accomplishment - given the freedom to act. Can we provide that atmosphere? This thesis is directed towards an in-depth examination of the MBO process as one method that might be adopted by Army commanders to alleviate some of the problems cited.

Management by Objectives

The management technique used by many of our more successful organizations in business and industry is Management by Objectives (MBO). The concept will be fully developed in Chapters 2 and 3 but for the purpose here, MBO is defined as a management process whereby the superior and subordinate managers set goals in mutual focus. MBO allows maximum use of individual initiative and concentrates on key results related to the purpose of the organization. The process begins with the leadership of the organization establishing overall goals, and allows

individual managers the latitude to develop objectives within their own sphere of responsibility and resources that lead toward the accomplishment of those organization goals. The emphasis is directed towards results and requires periodic reviews to reorient goals and priorities. The organization must allow for decentralization with the manager developing a supportive or 'coaching' relationship. Recognition and reinforcement of achievement are essential to successful programs.

The problem here is to develop an MBO process that can be used in an Army battalion. The concept has been supported in official channels as a method for consideration.[3] However, full knowledge at the working level is limited and there are few that fully understand the complications involved. MBO is not an easy technique to implement. There are many intricacies that should be thoroughly examined prior to program initiation. In this effort, the MBO process is related to the military environment and an attempt is made to explain some of the problems that may be encountered.

The purpose of this thesis is to conduct a thorough analysis of MBO and its uses in other organizations and design a system tailored for a standard type Army battalion. System design includes the total process from education to development of objectives, review sessions and recognition. In the conduct of this investigation, the positive and negative factors involved are examined and methods are examined that might be used to

---

3. "Management By Objectives - A Joint Venture," Commanders Call, Department of the Army Pamphlet, Spring 1974, pp. 3-6.

overcome the difficulties inherent in the MBO approach. With this thesis, the reader should be able to determine whether or not he desires to implement MBO. In addition, this paper offers a system designed for implementation at battalion level. In completing the analysis of this thesis, an attempt is made to answer the following questions:

-Is the MBO approach adaptable to a military environment?

-What have been the successful applications of MBO in other areas?

-Where has MBO failed in other areas?

-What are some of the keys to motivation of battalion officers? What are their needs?

-Can MBO be adapted to battalion tasks?

-What are the requirements for establishment of an MBO management approach?

-Does MBO require special training?

-Can MBO be used for performance evaluation? If so, how?

-Is recognition an inherent part of the MBO process? What then are some of the means that might be used in the military?

-Has MBO been applied in military units? If so, what is the degree of success?

-What are some of the differences in the communicative processes that take place in the military and civilian work environments? Are there significant differences between types of battalions in the Army?

Basis for MBO in the Army

The basis for establishment of an MBO process in the Army
will rest upon related success or failure of the technique in
the service and other areas. If it has been a successful pro-
gram in similar environments, then there may be reason to
support Army wide use of this system at battalion level. If
a relationship cannot be established, then MBO may be rejected
or this process may be further refined using the parts of the
system that can be related to probable success. In this com-
parison, the following relationships are examined:

-Work environment

-Motivation

-Tasks and Objectives

-Education and experience

-Communication processes

-Recognition

-Performance evaluation

To focus the research in a theoretical framework, the
following assumptions are made:

-Management in the current environment of the Army is not totally
authoritarian. True, an autocratic capability is necessary
in any military organization; however, the daily conduct of
business in the peacetime military environment is situational.
Much of the work takes place in a relatively semi-structured
atmosphere in officer to officer relationships.

-Army officer personnel are internally motivated and prefer
to exercise their initiative as long as they can connect

accomplishment with individual or group needs. This is simply
to state that Army managers can and will use the freedom to
act in a positive manner given the proper environment.
-The overall goal of the Army is to maintain an organization
capable of combat or logistics support for combat in the
highest possible readiness condition. This objective provides
a general target towards which all other goals in the Army
should be directed.

The following terms are defined here for use throughout
this thesis:

-Management by Objectives (MBO) - results management or a pro-
cess whereby superior and subordinate managers set goals in
mutual focus. MBO allows a maximum use of individual initiative
and concentrates efforts on key results.

-Objective - goal, target or key result. In some literature
on MBO, these terms have different meanings; however, throughout
this thesis these words are interchangeable. Something to
be accomplished in a period of time and based upon the
purpose of the organization (preferably quantifiable). The
results of directed effort - not activities.

-Participative Management - decentralized operations and
allowance for contribution of all members of an organization
in providing ideas and contributing to organizational goals.
Everyone should totally understand the purpose and objectives
of the organization and his or her share of the action.

-Motivation - an internal phenomena of people that determines
the strength, intensity and direction of their effort toward

a desired end.

-Achievement - success in objective accomplishment, normally recognized external to the individual and related to individual, group or organizational goals.

-Recognition - individually perceived achievement and reward provided by an external source. The perception must be genuine to the individual to be effective.

Scope of the Study

This study is limited to an analysis of MBO applications and possible relationships to the management process that exists in a standard Army battalion. The analysis is applied to a peacetime environment and examines requirements for improving unit readiness under these circumstances. The intention is to capitalize on the positive aspects of MBO that have been demonstrated to be successful in business, education, government and other military areas. In the remainder of this thesis, the entire spectrum of the MBO process is examined and an attempt is made to sort out some of the most important factors and pitfalls in its use. Chapter 2 provides a review of some of the extensive literature available on the subject. From this research, a sequential analysis of the MBO approach in conducted in Chapter 3. In Chapter 4 a system designed for application at battalion level is presented based upon the analysis and the author's personal experience with an MBO program in a separate company. In Chapter 5 the conclusions of this analysis are presented with suggested continued research and some Army wide implications.

REVIEW OF MBO LITERATURE

Background

Early developments in managerial psychology provided the basis for MBO. Kurt Lewin in "The Psychology of Success and Failure" relates that an individual's perception of his success or failure is dependent upon his "level of aspiration." [4] The experience of a successful achievement depends upon whether or not this perceived 'level' is attained. A successful accomplishment is reenforced and the individual subsequently establishes a higher objective. Failure in goal attainment leads to a lowering of the 'level of aspiration.' Lewin further states that the perceived degree of difficulty will influence the determination of success or failure. Goals that are seen as too difficult to achieve (and not attained) are not perceived as failures. Those tasks that are too easily attained are not sensed as successful accomplishments. The individual establishes a framework of his 'level of aspiration' within which he operates at a particular moment in time. This framework moves up or down on a continuum depending upon discernable success or failure.[5] A. H. Maslow in "A Theory of Human Motivation" further postulates that the individual is motivated by an ordered hierarchy of physiological, safety, love, esteem and self actualization needs:

> These basic goals are related to one
> another, being arranged in a hierarchy of
> prepotency. This means that the most pre-

4. Lewin, Kurt, "The Psychology of Success and Failure," from Readings in Managerial Psychology, pp. 25-31.
5. Ibid.

> potent goal will monopolize consciousness
> and will tend of itself to organize the
> recruitment of the various capacities of
> the organism. The less prepotent needs
> are minimized, even forgotten or denied.
> But when a need is fairly well satisfied,
> the next prepotent ('higher') need emerges,
> in turn to dominate the conscious life
> and to serve as the center of organization
> of behavior, since gratified needs are not
> active motivations. 6

He describes man as a continually 'wanting animal' and once

such basic physiological needs as hunger and safety are fulfilled,

the individual seeks love or a need for belongingness. This

concept is further developed by Douglas McGregor in "The Human

Side of Enterprise," in which he concludes that in the modern

industrial world the basic needs are fairly well satisfied.[7]

People are motivated primarily towards higher level needs –

when management provides the environment. The 'ego' or self

esteem needs are the areas of most needed concentration by

modern management. The need for self actualization is seldom

achieved in the industrial world and is approached only by those

in the higher professions and the arts. McGregor further defines

the ego needs as:

> 1. Those needs that relate to one's
> self esteem – needs for self confidence,
> for independence, for achievement, for
> competence, for knowledge.
> 2. Those needs that relate to one's
> reputation – needs for status, for recog-
> nition, for appreciation, for the deserved
> respect of one's fellows. 8

He further states that most contenporary firms use a hard,

'theory X,' approach and assume that man must be controlled

---

6. Maslow, A.H., "A Theory of Human Motivation," from Readings
   in Managerial Psychology, p. 23.
7. McGregor, D.W., "The Human Side of Enterprise," from Readings
   in Managerial Psychology, pp. 267-282.
8. Ibid., pp. 272-273.

and pushed into action. Money is assumed to be a prime motivator, and the individual is another resource to be manipulated. McGregor concludes that organizations using the 'theory X' approach have stifled their people and lost the potential for real growth. In contrast, he offers a 'theory Y,' designed to allow potential development of the esteem needs:

> The motivation, the potential for development, the capacity for assuming responsibility, the readiness to direct behavior toward organizational goals are present in all people. Management does not put them there. It is a responsibility of management to make it possible for people to recognize and develop these human characteristics for themselves.
> The essential task of management is to arrange organizational conditions and methods of operation so that people can achieve their own goals best by directing them toward organizational objectives. 9

'Theory Y' provides the bases for the assumptions on the behavior of people in organizations. Simply stated, an individual who is given the freedom to conceive and pursue objectives related to the overall goals of the firm will commit himself more intensely than when the tasks are continually specified for him by a higher suthority. A person developd an identity with targets that he has conceived and assumes a degree of 'ego' risk in seeing the outcome completed. In addition, when the results are positive, the same individual's esteem is rewarded. This succession of events repeated several times over, develops a self confidence that is continually re-enforced.

One of the most noted business consultants on managerial behavior and motivation is Professor Frederock Herzberg of the University of Utah. In a study of motivation factors determined

---

9. Ibid., p. 276.

from interviews with over two hundred engineers and accountants
working in the metals industry in the Pittsburgh area, Professor
Herzberg distinguished two separate needs affecting job attitudes.
One set of needs simply provides the basics for a good working
environment. These are termed 'hygiene factors' and include
"company policy and administration, supervision, interpersonal
relationships, working conditions, salary, status, and security."[10]
Professor Herzberg found that these factors only contribute
to an elimination of dissatisfactions with the job.

> ...The other set of needs relates to the
> unique human characteristic, the ability to
> achieve, and through achievement to experience
> psychological growth. The stimuli for the
> growth needs are the tasks that induce growth;
> in the industrial setting they are the job
> content. 11

He lists the growth or 'motivator factors' as "achievement,
recognition for achievement, the work itself, responsibility
and growth or advancement."[12] The results (Appendix A)[13]
of his study support these conclusions and provide further
direction to this attempt to improve motivation in service
management.

This brief description of basic findings in motivation
theory provides the foundation of the support for the MBO process.
In sum, the combined studies support the contention that an
individual:

-operates in a goal seeking environment, internally perceived

10. Herzberg, F., Mausner, B., and Snyderman, B.B., The Motivation
    to Work, 2nd edition, p. 113.
11. Herzberg, F., "One More Time: How Do You Motivate Employees?,"
    Harvard Business Review, January-February, 1968.
12. Ibid.
13. Herzberg, Mausner and Snyderman, op. cit.

and related to his own 'aspirations.' Goal achievement pro-
vides reward and re-enforcement towards a higher 'level,'
while failure has the opposite effect.

-continually seeks to satisfy 'needs' that change over time.
In a managerial setting, these needs tend to center around
those of the 'ego' or 'self esteem.'

-has positive attitudes towards his job that relate to "achievement,
recognition for achievement, work itself, responsibility and
advancement."[14]

With these concepts as a background one may better understand
the development of MBO as a management technique.

Process Development

The concept of MBO was first introduced to the business
management environment by Peter F. Drucker in 1954 in his book
The Practice of Management (Chapter 11). He contrasts the errors
of 'management by drives' with the MBO approach of management
by 'self control.' In the 'drives' approach, management
continually emphasizes one crusade after another with the in-
evitable result that people on the receiving end bounce from
one project to another. There is no sense of continuity, and
after a protracted period under this approach communications
downward are received in open hostility. One month it is a
human relations drive, the next month it may be a drug abuse
drive and so on - ad infinitum. Subordinate managers just begin
to get involved in a crusade, only to learn that it is no longer

---

14. Ibid.

in vogue. The sad part of this type of exercise is that so few 'drives' are in any sense related to the basic goals of the organization.

> In an organization which manages by drives people either neglect their job to get on with the current drive, or silently organize for collective sabotage of the drive to get their work done. In either event they become deaf to the cry of 'wolf.' And when the real crisis comes, when all hands should drop everything and pitch in, they treat it as just another case of management created hysteria. 15

In contrast, Drucker offers management by 'self control' through which managers at all levels develop the ability to set their own objectives related to the purpose of the organization. The communications flow is upward with each group of lower level managers assisting in the establishment of the goals of their boss. Once this is completed the subordinate managers develop their own contributions to those goals. People are given the freedom to act responsibly on their own and planning ahead becomes a natural part of their daily work experience. Crises are reduced because the process of goal achievement is allowed to run full cycle and those that do arise become a part of the responsible manager's objective program. An individual learns 'self control' through developing his own goals to preclude crisis situations.

> The greatest advantage of management by objectives is perhaps that it makes it possible for a manager to control his own performance. Self control means stronger motivation: a desire to do the best rather than just get by. It means higher performance goals and broader

15. Drucker, P.F., op. cit., p. 128.

> vision. Even if management by objectives were
> not necessary to give the enterprise the unity
> of direction and effort of a management team,
> it would be necessary to make possible manage-
> ment by self control. 16

In his most recent book, <u>Management: Tasks, Responsibilities</u>,

<u>Practices</u>, Drucker further refines his MBO concept in line with

the proliferation of information, and increased rapidity in

access to information in recent years. Used in the proper manner

this new ability allows for quick determination of what the goals

of an organization (or part of an organization) should be, and

rapidly provides a high degree of re-enforcement when the re-

sults of a decision have been determined. He strongly cautions

that all too often this new ability is misused and applied as

another form of control or 'management by drives' by the

higher levels. Drucker ends his section on MBO by relating

his concept as a 'principle' or 'philosophy' of management:

> In the years since I first coined the
> term, 'management by objectives' has become
> a widely used slogan. There is a whole
> literature, and any number of management
> courses, seminars, and even movies on the
> subject. Hundreds of companies have adopted
> a policy of management by objectives -
> though only a few have followed through with
> true self-control. But management by objectives
> and self control is more than a slogan, more than
> a technique, more than a policy even. It is,
> so to speak, a constitutional principle.
> ...Finally it applies to every manager,
> whatever his level and function, and to any
> organization whether large or small. It
> insures performance by converting objective
> needs into personal goals. And this is
> genuine freedom. 17

---

16. Ibid., pp. 130-131.
17. Drucker, P.F., <u>Management, Tasks, Responsibilities, Practices</u>,
    pp. 441-442.

Two points of interest can be made from this excerpt. First, this research, interviews and experience for the most part support his conclusion that where MBO has been applied it is done so in a partial manner. Follow through is often lacking, and few have complete understanding of the profound implications of this approach. Secondly, MBO does appear to have universal application. In one form or another, it has been attempted in the differing types of major organizations with varying degrees of success.

Several years ago, George S. Odiorne, a student of Drucker's conducted research on interviews gathered from 8500 people and their bosses in various industries.[18] He would conduct the interviews by first asking the subordinate to list his responsibilities. He would then go to the manager, and ask him to list the responsibilities of his subordinate. In comparing notes, he found that there was only a sixty per cent agreement between the manager and the subordinate on what those responsibilities really were.[19] Fully forty per sent of the subordinates effort was misdirected. In subsequent interviews at General Motors, IBM and Xerox he found a ready response from both subordinate and manager to an average of eighty-nine per cent match on responsibilities.[20] In essence, these firms had implemented MBO programs.

Student Odiorne is now Dean Odiorne of the Business School

18. 'Introduction to MBO,' 5th printing, 1973, pamphlet from The Conference Board, New York, 1973, pp. 15-16.
19. Ibid.
20. Ibid.

of the University of Massachusetts and a noted scholar of MBO.
He has written several books and numerous articles on the subject
and is continually sought as a lecturer and consultant by
business firms throughout the country. His best known work is
titled Management By Objectives and provides an excellent 'how
to' text for those interested in implementing a program. A
simplified diagram of his approach is shown in Figure 1.[21] It
should be pointed out that MBO is revealed as a 'cycle' or an
iterative process. The system is flexible and allows for
alteration or addition of goals and eliminations of inappro-
priate targets.

In a recent article Dean Odiorne discussed some of the
better approaches to initiating a program. He readily admits
that the MBO initiator has a difficult task in 'selling' his
program to the people of an organization. Such effort requires
a basic understanding of human behavior:

> An often overlooked rule of allegiance
> is that people center their loyalties around
> the smallest unit of which they are a member
> rather then the overall organization. The
> basic unit for the soldier is the squad, not
> the armed forces of the free world....
>   This fact has great significance for
> implementing MBO. It means that objectives
> must be related to this man, this job, in
> this unit, this year. Expecting people to
> be motivated by grand designs and overall
> global strategies is unrealistic and con-
> trary to political realities. 22

He suggests that the best approach towards beginning a program
is through an educational process. MBO should be carefully

21. Odiorne, G.F., Management By Objectives.
22. Odiorne, G. F., "The Politics of Implementing MBO," Business
    Horizons, p. 18.

FIGURE 1

Odiorne's Cycle of Management by Objectives
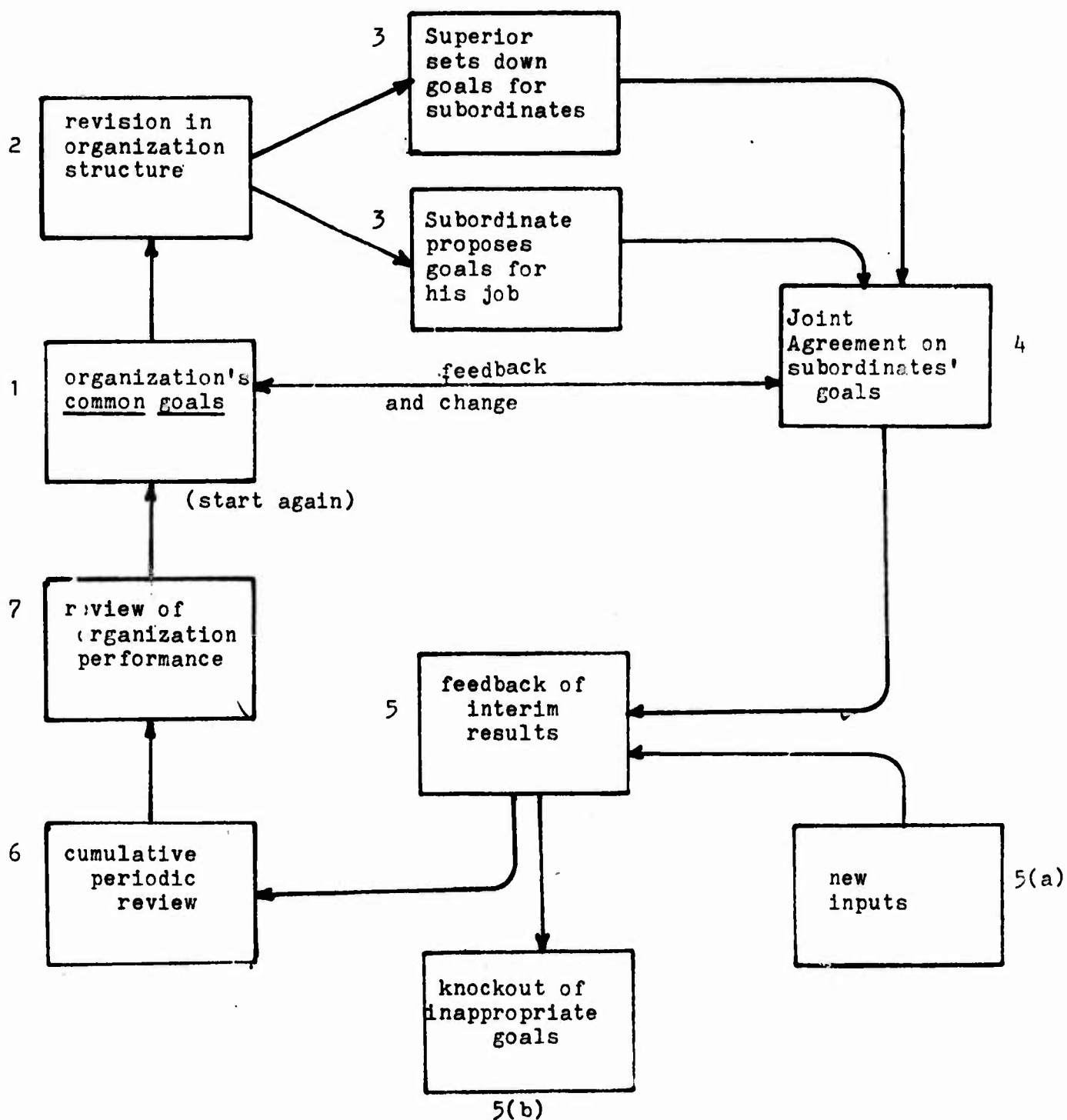
and systematically fed into the organization through training
programs and application of the fundamentals.

Another well known specialist of the MBO process, John
Humble, director of Urwick, Orr & Partners, Ltd., Management
Consultants of London, stresses five fundamental requirements
to a successful MBO program in his book Improving Business
Results:

> -Understanding by top management
> -A perceptive preliminary study and
> launching plan
> -High quality training of advisors
> and other specialists
> -Sustained attack
> -Special care in co-ordinating long
> range and short term plans. 23

Throughout the research the same 'keys' continued to be empha-
sized. The importance of strong support by top management is
one example of a point stressed by Drucker, Odiorne and many
others. The 'sustained attack' relates to the cycle of continuing
review and development of new goals based upon success attained.
Humble cautions that initial accomplishments under MBO may set
the program in 'lock step' with a resistance to new developments.
Flexibility must be built into the system and practiced during
the first year of implementation. Humble claims that MBO
programs initiated by his firm have assisted in significant
improvements "in over sixty companies in Europe, South and
East Africa, and South America." [24]

Perhaps the most comprehensive recent review of the MBO
process and its applications is provided by Carroll and Tosi
in their book MBO: Applications and Research. This work

23. Humble, J.W., Improving Business Results, p. 119.
24. Ibid.

provides a thorough analysis of studies of the applications
of MBO and a review of the authors' own interviews and surveys
of one firm. In an overall assessment of the results of applied
MBO programs the authors conclude:

> The research on organizational programs
> indicates that the adoption of this approach
> can improve managerial performance, managerial
> attitudes and organizational planning. The
> research also indicates that MBO programs
> require considerable time and effort expen-
> ditures for successful adoption, and unless
> they are given adequate support and attention
> and are well integrated into the organization,
> they will fail or not live up to expectations. 25

These results support the earlier contention that MBO is a
difficult system to effectively implement. A thorough understand-
ing of the factors involved can improve the probability of success.
In their study of interviews and surveys conducted with one
firm applying the process Carroll and Tosi demonstrate the
significance of the effects of these factors (see Appendix B.)[26]
The most distinct advantage indicated throughout this research
is the improvement in manager-subordinate communications. The
forced one to one relationship via MBO seems to indicate that
this is one process that will improve mutual understanding.
The 'formal requirements' problem most probably relates to
the initial stages of an MBO program where training,
objective setting and initial review periods require a great
deal of time. Once the system becomes established the formal
requirements should be minimal. The only paperwork absolutely
necessary is an objective sheet with priorities, status and review

25. Carroll, S.J., and Tosi, H.L.Jr., MBO: Application and
    Research, p. 16.
26. Ibid., pp. 23-27.

periods. It is interesting to examine the improvement suggestions and relate these to other findings. The conduct of regular review periods is a difficult job in the real world of minute to minute decision making and numerous activities that take up management time. Humble stresses this point in his book[27] and other authors provide the same criticism as most pertinent to ongoing programs. Another frequently emphasized suggestion is the demand for support by higher level management. Without continued strong emphasis and objective setting at the higher levels the MBO program will falter over a period of time.

> These data show the importance of organizational commitment to MBO. Managers must feel that the MBO program is important, that the company is serious about it. It is necessary that organizational goals become clear, as goal setting at all levels is more difficult and perhaps impossible without clear goals that can be fashioned into departmental or individual goals. Managers must have time and resources so that they can utilize MBO. In addition, the time and energy should not be excessive. 28

Applications

From this research it appears that the applications of MBO are extensive and can be adapted to situations ranging from free wheeling business marketing to the most structured of bureaucratic governmental organizations. Certainly the effects vary with the nature of the organization, although the reported results are essentially the same. Cases in business,

---

27. Humble, op. cit.
28. Carroll and Tosi, op. cit., p. 45.

education, government and the military have been selected for
review in an attempt to demonstrate the universal nature of the
MBO process and further examine some important real world aspects
of the MBO process.

Business - One of the earliest and most frequently cited
studies of MBO applications in business was related by Meyer,
Kay and French in an article in the Harvard Business Review.
The research was conducted on alternative methods of appraisal
interview precesses in which one group (of 46) established their
own goals before the interview. The managers of this group
were instructed to allow as much freedom as possible in the
appraisees influence over the final list. A second group (of 46)
was provided with a list of goals established by their
supervisors who were instructed to exert more influence over
the final list of objectives. All of those surveyed were
examined with questionnaires and interviews several months after
the process. The reported findings provided significant insight:
(see Figure 2).

> 1. Greater amounts of criticism and
> the high threat thus created were
> associated with more defensive be-
> havior on the part of the appraisees
> and with lower subsequent performance
> for those appraisees in lower self
> esteem.
> 2. Appraisees who had more influence
> in setting goals had more favorable
> attitudes and achieved a higher per-
> centage of their improvement goals
> than those with less influence in
> setting goals. However, appraisees
> who had been traditionally accustomed
> to low participation in their relation-
> ship with their superior did not perform
> better under high participation in goal
> setting.

FIGURE 2

Goal Setting and Improvement in Performance

Percent Goal Achievement

"Improvement Needs" Translated into Specific Goals

"Improvement Needs" Not Translated into Specific Goals

Manager's and Subordinate's Efforts Combined
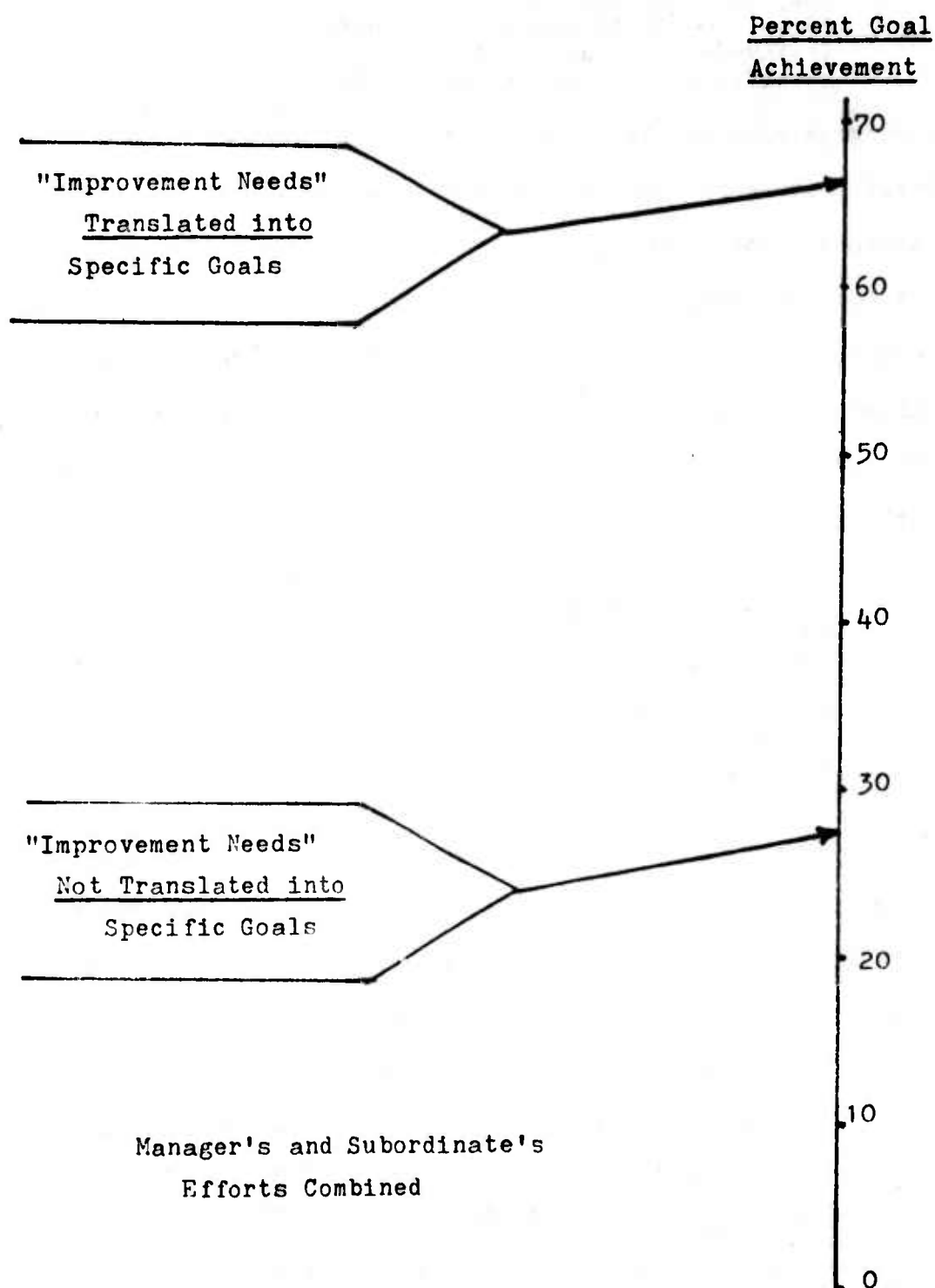
> 3. Goal setting itself was more impor-
> tant than subordinate participation in
> its effects on improved performance.
> About 65 per cent of the identified
> performance deficiencies that were
> translated into specific work goals
> resulted in improvements, whereas
> only about 27 per cent of the
> identified performance deficiencies
> that were not translated into
> specific goals were improved. 29

This program resulted in a further effort by General Electric

to develop its Work Planning and Review program that provided

the basis for their MBO system.

A program similar to the one developed by General Electric

was employed by Texas Instruments. Faced with a rapidly expanding

organization in the early sixties, the decision was made to

decentralize and allow maximum growth in product-customer centers

through an MBO process.

> ...Organized around a product or family
> of products the product-customer center
> is a miniature of the parent organization
> in terms of its organizational role.
> ...This delegation process requires
> managers of product-customer centers
> to establish goals and keep score on
> themselves in the process of achiev-
> ing them. 30

Texas Instruments combines their MBO goal setting process with

performance reviews. An attempt is made throughout the organ-

ization to emphasize goal orientation and downplay the more

traditional authority orientation often the nemesis of large

organizations. Symbols of authority are minimized throughout

the firm and significant effort is directed towards attaining

29. Meyer, H.H., Kay, E.,and French, J.R.P., "Split Roles in
    Performance Appraisal," Harvard Business Review, January-
    February, 1965, pp. 123-124.
30. Myers, M.S., "Conditions for Manager Motivation,"from
    Behavioral Science and the Managers Role, p. 113.

and maintaining an open system of communication with and between all levels. For example, executive dining facilities are non-existent and parking spaces are assigned on "factors other than level of responsibility."[31] Emphasis is directed towards job competence or objective accomplishemnt and reward is in terms of "accountability, salary and freedom of action." [32]

> ...Earned status us its own reward, and the flaunting of symbols or other reminders of inequality is sympto-matic of immaturity which serves only to undermine feeling of dignity and worth of those of a lesser status on whom higher status individuals depend for their continued success. [33]

The successful Texas Instruments program is probably best exemplified by the logarithmic increase in sales from the early sixties to date.

Another excellent example of a successful business implementation of MBO is provided by Humble on KLM Royal Dutch Airlined.[34] In initiating their system, top management canvassed people, to provide input on goals and problems, from all levels of the organization world wide. From their findings they developed the major goals of the firm. Additionally, the results indicated a need for reorganization that entailed significant decentralization throughout KLM. Next, pilot programs were established in two areas of the firm to determine the effects of MBO in the airline industry. Finally, a decision was made to implement MBO systematically throughout KLM - one area at a time. Throughout this process, management consultants were used extensively and

31. Ibid.
32. Ibid.
33. Ibid., p. 114.
34. Humble, op.cit., p. 140.

KLM line managers received a comprehensive two week training
program to insure their knowledge of the important aspects of
the new program. In his analysis of the system introduction,
Humble offers some important perceptions:

> -It is pointless to agree upon performance
> standards for individual managers until the
> unit objectives have been thoroughly reex-
> amined and clarified. Otherwise there is a
> real danger of channeling new enthusiasm into
> unimportant areas or even getting individuals
> to 'do the wrong things better.'
> -It is dangerous and misconceived to hurry
> the process. The object of the programme
> is not just to produce a few pieces of
> paper. It is to get every manager to think
> through what is really important for him
> to achieve in the light of rapidly changing
> environment and market factors. Attitudes
> cannot just be changed overnight and time,
> patience and persistent counselling may be
> necessary if a lasting benefit is to be
> obtained.
> -The Advisor or 'catalyst' role is of great
> importance in helping managers to make this
> fresh appraisal of their objectives and their
> performance. It follows that the people assigned
> to the work, whether from inside or outside
> the business, must be of high quality and
> maturity and thoroughly trained in the latest
> techniques.
> -The importance of positive participation
> by line management has been repeatedly
> confirmed. This is not a programme which
> can have any lasting value if imposed on
> line managers. The programme must be
> shaped at every stage by line managers
> and it should be clear that their active
> support and personal involvement will
> not (and should not!) continue unless
> performance and profit results measur
> ably improve. 35

These findings correlate well with those provided by Carroll
and Tosi in their analysis of applied MBO programs.[36]

---

35. Ibid., p. 144.
36. Carroll and Tosi, op. cit.

Humble concludes his analysis of the KLM project by stating

that interviews with line management revealed a much clearer

view of the purposes and goals of the positions. Prior to

the MBO adoption many of the managers perceived their roles

as that of high level salesmen and they tended to neglect the

vast resources under their control. The new role pointed to

the significance of their jobs as managers and resulted in

an attitude change that contributed immensely to the accom-

plishments under MBO. The results of the MBO implementation

were pointed out by the "high sales and profitability" of

areas under MBO in relation to other areas of KLM that had not

implemented the program at the time of Humble's publication. [37]

Government and Education - While the reported uses and

case analysis of applications of MBO in the private sector

have been extensive, the same expanse of literature is not

available for public or government related applications. How-

ever, in recent years there has been a significant increase

in the number of public or non-profit organizations using this

approach. Some would claim that such organizations do not lend

themselves to application of the MBO process. Dale D.

McConkey, former Professor of Management at the University of

Wisconsin and now a business consultant, concludes an analysis

of such applications by strongly supporting MBO in public

or service organizations:

> Non-profit organizations are not unique.
> They, like all organizations, have an objec-
> tive to achieve, namely, to provide the high-
> est quality product or service consistent

---

37. Humble, op. cit.

with the funds available. They have assets
entrusted to them-people, capital and plant
and equipment. They serve in a stewardship
capacity to those upon whom they depend for
continued existence. Managers of these
organizations have no inherent right to waste
any of these assts or violate their steward-
ship. They must be held accountable for
results.
    Highly successful MBO applications have
been made in every conceivable type of organ-
ization....These include hospitals, schools,
police departments, nursing homes, defense
departments, etc.... 38

The point here is that MBO is readily adaptable as a

process of management to all types of organizations. With

indepth understanding of the MBO approach and the unique char-

asteristics of a particular organization the combination can

lead to improved results.

Rodney H. Brady, a former Assistant Secretary for

Administration and Management in the Department of Health,

Education and Welfare (HEW), related a successful MBO program

at HEW that has been in existence for over three years.[39] The

HEW MBO cycle is designed over the budget year and includes

flexibility to add or delete objectives as situations change.

Mr. Brady relates this 'ability to change directions' as one

of the problems most unique to MBO in the public sector.

Other problems that he experienced were the failure of some

managers to provide the time required (for review sessions,

objective setting, etc.) and the difficulty in role change

required by managers from that of a politician-bureaucrat making

38. McConkey, D.D., "Applying Management By Objectives to Non-
    Profit Organizations," SAM Advanced Management Journal,
    January, 1973, p. 19.
39. Brady, R.H., "MBO Goes to Work in The Public Sector," Harvard
    Business Review, March-April, 1973.

policy and defending budgets to that of a manager concentrating

on working with people to achieve results. Mr. Brady concludes

his article by relating some of the major improvements made in

HEW goals through the program and the unique aspects of this

approach in government:

> While effective objectives can be estab-
> lished in public sector organizations, the
> process of developing the objectives is often
> more complex and requires broader coordination
> and participation of interested parties than
> in the private sector.
> Objectives in the public sector must take
> a different form from those in the private
> sector. In the former, the objectives must
> usually be stated in terms of interim results;
> in the latter, objectives can normally be
> stated in terms of the ultimate objectives
> of "return on investmant."
> Although progress toward achieving
> many public sector objectives is difficult
> to measure, few meaningful objectives are
> beyond effective measurement. Through
> utilization of milestone charts, which
> document accomplishments to be achieved
> by established dates, progress toward
> achieving almost any objective can be
> measured. 40

The Canadian Government has initiated MBO programs in the

Fisheries Department and the Canadian Post Office. Mr. Phillip

J. Chartrand is their director of the Personnel Consulting

Division of the Public Service's Bureau of Management Consulting

services and serves as the MBO advisor to the various govern-

ment organizations. In his articles on the programs in the

Fisheries Department and the Post Office, Mr. Chartrand describes

the systematic approach that he used to implement MBO in these

areas. He emphasizes the need for a strong, supportive manage-

ment climate, the delegation of operations in depth and the

---

40. Ibid.

integrative role of the manager in coordinating objective
accomplishment and measuring results. In an effort to measure
the degree of success of the Fisheries program, Mr. Chartrand
used the Climate Review Questionnaire (formerly used to
evaluate the Texas Instruments program) on thirty subjects in
a before and after study. Figure 3[41] provides a summary of
his findings and may serve to indicate the value of the
program.

The 'Project Group' operated under the MBO system during
this study and the 'Control Group' continued under the old
or normal management techniques. One should take cognizance
of the fact that at least part of the difference in results
could probably be attributed to the simple fact that the
'Project Group' received higher interest and recognition during
the study (the 'Hawthorne effect'). Subsequent interviews of
the participants by an independent psychologist confirmed the
improvements in objective orientation and improved communication.[42]

An increasingly popular study of a working MBO system was
conducted by Professor Donald D. White of the University of
Arkansas. In a questionnaire and interview study of 195
managers under an MBO program in a state health care facility,
Professor White found that those commenting favorably on the
MBO program cited "improved living and working conditions and
reduced resident population,"[43] as some of the objectives

41. Chartrand, P.J., "From MBO to Business Planning," The Canadian
    Personnel and Industrial Relations Journal, September, 1971,
    pp.15-22.
42. Ibid., p. 22.
43. White, D.W., "Factors Affecting Employee Attitudes Toward the
    Installation of a New Management System," Academy of Management
    Journal, December, 1973, pp. 636-645.

FIGURE 3
Results of Chartrand's Study of MBO in The Canadian Government
(Department of Fisheries)
Orientation Factor

This factor covers the extent to which the employee
feels oriented to his working environment and
includes such things as knowledge of work rules,
policies and practices affecting him, knowledge of
the objectives, goals and activities of both his
immediate work area and the total organization.

Recognition Factor

This factor covers the participant's satisfaction
with the recognition given to an employee's
work results and contribution.

achieved. In addition, improved organization of resources, more

meaningful communication and clear priorities assisted in

favorable attitudes towards the MBO program. Appendix C [44]

summarizes the study results and emphasizes the significance

of the Herzberg 'job content' needs. One could submit that

the introduction of an MBO program may serve to improve

'achievement' (Increased control over own activities),

'responsibility' (Clarification of own responsibilities and

feeling in on decisions as a result of MBO) and 'recognition'

(Increased influence in the department and positive effect on

communications). Professor White concludes his study by relating

some of the key elements of an MBO program:

> Employees throughout the five depart-
> ments studied generally had favorable atti-
> tudes toward the Management By Objectives
> system. Stated reasons for positive attitudes
> included resulting benefits for staff and
> patients, contribution to planning and
> utilization of resources and effects on inter-
> personal communication in the enterprise.
> Failure to realize established goals was the
> primary reason given for dissatisfaction with
> the system. Other factors cited in connection
> with unfavorable attitudes toward MBO include
> lack of needed cooperation from supervisors
> and over emphasis on achieving objectives. 45

A similar study of an educational institution MBO program

was conducted by Y. Krishna Shetty and Howard M. Carlisle of

Utah State University. A questionnaire was administered to

236 members of the faculty who had been under the program for

one year. The purpose of this study was to determine the reactions

of faculty members to the program and analyze variations of the

44. Ibid.
45. Ibid.

respondees in terms of rank, tenure, and length of service.
Of the 109 usable responses the overall trand tends to support
conclusions of earlier studies:

> ....The study shows that objective oriented
> programs like MBO when applied in an academic
> setting increase awareness of organizational
> goals, improve planning, result in better
> understanding of job expectations, provide
> better data for performance appraisal and
> improve performance and communication.
> Certain organizational variables seem to
> influence the perceptions of the parti-
> cipants concerning program success. More
> specifically, teachers with lower academic
> rank, teachers without tenure, and those
> with fewer years of service consider the
> program in more positive terms than those
> of higher rank who are tenured and have
> more years of service.... 46

Appendix D provides the results of this study. It is inter-
esting to note the difference in reception to the program
of the more senior faculty members. This would suggest that
program design should include consideration of these elements.
Other studies have also recommended that the MBO approach be
tailored to type or categories of individuals. [47]

Military - Although a number of MBO programs have been
initiated in military organizations information on actual
results is difficult to obtain. The Army Materiel Command
(AMC) has a program that reportedly started as early as 1964.
Mr. Robert E. Jones, a program analyst from AMC Headquarters,
reports that the MBO system is working well and has established
quarterly targets. [48] William O. Harris in an article in

---

46. Shetty, Y.K. and Carlisle, H.M., "Organizational Correlates
    of a Management By Objectives Program," _Academy of Management
    Journal_, March, 1974, pp. 155-162.
47. Humble, op. cit., and Carroll and Tosi, op. cit.
48. Jones, R.E., "Management By Objective: Theory and Practice,"
    Army Logistician, May-June, 1974, pp. 10-12.

<u>Government Executive</u> states that AMC has made significant progress
towards improving depot management with this process. [49]

The most comprehensive evaluation of a military MBO
program is a study by Alan P. DeRoco and Charles R. Grutzius.
In an analysis of a pilot MBO project conducted at a Naval
Communications Station their report cites similar problems
to that of industry (and others) in program initiation. Using
the Humble method of Key Results Analysis the authors assisted
in setting up the project and evaluated results through inter-
views at the end of the year. Lack of command support due to
'higher priority commitments' was given as one of the major
problems. In an on-going activity the time required to develop
the MBO process is extensive. One of the purposes of their
study was to determine if the problems of MBO initiation in a
military communication station would differ significantly from
other applications. Their findings support the view that
difficulties encountered closely parallel those in industry.
They cite only one problem that may be peculiar to the military
environment:

> ...The point here is that any change
> from current management practice to one
> that is more participative does not necess-
> arily weaken the authority of the superior.
> As we have illustrated...authority relation-
> ships and acknowledgement of responsibilities
> are actually strengthened during the MBO
> process. From our observations, the most
> difficult level to convince of this are
> those firstline supervisors and middle
> managers with long periods of military
> service in specialized areas i.e. Senior

49. Harris, W.O., "Improving Federal Program Performance,"
    <u>Government Executive</u>, September, 1973, pp. 54-57.

and Master Chief Petty Officers. We feel
that bringing these individuals into the
MBO program will offer the greatest challenge
to the implementation process, but it is
necessary to counter narrow guage attitudes
that concentrate each manager's attention
solely on his own group's fraction of
contribution to the organization's success...50

One might reexamine the Shetty and Carlisle study and draw

a relationship to the difficulties encountered with the more

senior faculty members in expressing program acceptance.

Perhaps this problem is not peculiar to a military organ-

ization.

On the positive side, the authors frequently cite improved

communications and goal orientation as obvious successes

during their interviews. The overall analysis is favorable

to implementing MBO in military units, if one understands the

degree of commitment and problems associated with the MBO

process in any organization.

In a current effort to implement MBO in the Army

Communications Agency, Fred Burrell and Norman Warden of that

Headquarters have conducted interviews with people under MBO

programs in the military throughout the country. Their overall

response has been mixed. Problems encountered are comparable

to those discussed earlier. Often MBO becomes a 'fad' or 'drive'

in itself that never gets fully implemented. In one such program

at a military school, personnel interviewed had little know-

ledge of the program's existence or expressed lack of knowledge

of the requirements under this approach. It appears that in

50. DeRoco, A.P., and Grutzius, C.R., "Application of Management
    By Objective to Naval Communications Management," Naval
    Postgraduate School Thesis, March 1973.

many areas the entire MBO effort is passed off to a staff

activity (normally Comptroller) with only initial support from

the command group.

MBO is not new to the Army - its application has been

attempted in many commands with varying degrees of success. Major

William A Hokanson (C&GSC class of 1969) conducted an analysis of

MBO program use in battalions throughout the Army. His research

resulted in significant evidence of independently initiated

programs or variations of the technique by sixty-nine (39%)

out of one hundred seventy-six respondees to his questionnaire.

Four published samples of MBO programs were submitted. It should

be noted that any form of an objectives program was included

as a 'variation' of the technique and may or may not be an

MBO program in the true sense. Major Hokanson concluded:

> Based on the findings of this inves-
> tigation, it is concluded that the concept
> of management by objectives (1) has a
> sound basis in current management theory
> and business practice, (2) has a broad
> degree of conformity with established Army
> doctrine in the areas of command and staff
> procedure, operational readiness training,
> leadership and management, and (3) is
> useable in actual military practice at
> battalion level. 51

The remarks of those commanders who submitted programs for Major

Hokanson's thesis strongly supported his conclusions. All

were enthusiastic towards the use and resulting improvements

attributable to the MBO approach.

A recent experiment with MBO applications at the battalion

51. Hokanson, W.A., "An Investigation of the Applicability of
Management By Objectives to the Command of Army Battalions
Not Engaged in Combat Operations," Command and General Staff
College, 1969, p. 186.

level is nearing completion at Fort Bliss, Texas. Dr. John
Fry of the Human Resources Research Organization (HUMRRO) stated
in phone conversations that the problems in implementation
were similar to those in business and industry. A need for
strong support of the process by the commander is one example
that was given. Another problem cited was the frequent moves
of personnel. Dr. Fry indicated that the complete results of
his two year study should be published by July 1975.

In summary, the literature available on the MBO process
and its applications is extensive. The background for MBO has
been developed from early studies on human behavior and provides
a basis for understanding some of the important motivational
elements involved. The process as developed by Drucker,
Odiorne and others is simple to understand - yet difficult
in its application. Recent empirical studies and articles have
provided a deeper comprehension of the significant points of
this system. The process has been universally adopted by many
organizations in different organizational environments through-
out the world. It is significant that the strong support for
this approach continues throughout the research even though
there are admitted significant problems and costs involved.
In the next chapter, the process is analyzed and factors weighed
to determine the essential components of a successful program.

CHAPTER 3

SEQUENTIAL ANALYSIS OF MBO

This chapter comprises an examination of the MBO process
by studying the major phases in the initiation of a program,
looking at some of the problems and criticisms and, finally,
relating some perceptions of this approach that may be peculiar
to the Army environment. Chapter 4 then presents a proposed
system specifically related to an Army battalion.

Review Organization Purposes

Once the decision to use the MBO system has been made, the
first requirement is an in-depth review of what the organization
is supposed to accomplish. This may be a much more difficult
process than first appears. A mission statement or functions
manual can provide a general area for concentration, but seldom
do such documents give expected output in real terms. What is
needed from such an analysis are the major areas of focus towards
which the commander can begin to develop realistic goals. One
must continually ask the question: 'What are we in business for?'
In a military organization the idea might be to develop the
ability to be prepared for a series of 'what if' situations.
These should be spelled out whenever possible along with their
relative probability of occurence. The overall effort in
establishing organizational targets is subsequently oriented
towards those events to the degree indicated. For example,
a commander might determine from contingency plans at higher
headquarters that he has a high probability of deployment under

42

desert warfare conditions. One of his areas of focus might then be to develop objectives that would lead to an appropriate degree of readiness for that contingency. A significant portion of the available training time could be directed towards perfecting the skills necessary for that environment. The next step would be to develop objectives that lead to the desired level of readiness. There are a number of other areas that the commander might see as essential purposes of the organization. The importance of this phase is that all areas are examined thoroughly and sifted out. The specifics of the objectives setting process are developed fully in a subsequent section, but the task required here is an honest examination of the goals of the entire organization. The major areas are listed in order of priority and will provide the focus of the goal setting process. This point cannot be over-emphasized. Of all the actions that take place in the MBO process, this is perhaps the most critical phase. All of the subsequent actions and objectives of the entire command will be eventually directed towards these ends.

Such analysis should not be undertaken by one individual. A team approach consisting of the commander, his staff and unit commanders should establish a series of conferences to determine areas of focus and overall organizational goals. Some of these goals may already be established with the stated mission and required readiness posture. Such goals can provide an excellent starting point. Representation from higher headquarters and supported commands (if the organization is of the

support type) should be invited to assist. Visits to other organizations performing similar functions will also help to provide ideas. This procedure will require a significant amount of time and should not be rushed. Both short and long range objectives should be carefully sorted out and programmed in meaningful, concrete terms. Past functions that have been performed by the unit should be thoroughly scrutinized to determine their relevance to the agreed upon goals. Those functions that do not lead to basic objectives of the organization should be eliminated with the resources saved redirected to the primary tasks. Some important facets of this group objective development process are that all of the primary contributors have a sense of entrepreneurship, obtain a 'feel' for the priorities (established by the commander) and gain an understanding of the coordination required. The priority goals of the command should be written down along with their respective achievement indicators.

At this point the commander may select one staff officer to become his in-house MBO consultant. The selectee should have a background in management or the behavioral sciences. Given adequate time to prepare, this individual could learn the intricacies of the process (goal setting, counseling techniques, group problem solving, etc.) in four to six weeks. In the initial period, the consultant should set up the training program and obtain literature for distribution to battalion officers. Once the program is underway, this staff officer would be the primary contact for assistance and would conduct subsequent training for new officer personnel in the command.

With the identification of major goals for the organization
a restructuring of resources and responsibilities may be in
order. The basic structure of the establishment should
correlate with the stated objectives. This is probably most
applicable to a service or support type unit where the elements
are designed to handle product or customer service. In such an
arrangement, the restructuring might be aligned so that each
unit supports a particular set of customers or products. Over-
lapping responsibilities are eliminated where possible to allow
clear understanding of who is to handle which objectives.
Decentralization in its true sense is a fundamental part of this
technique and should be reflected in the shape of the organization.
Each sub-element should have clearly defined areas of responsi-
bility and the requisite authority to expend resources.

Develop A People Oriented System

It was established earlier that the basis of the MBO approach
was derived from research developments in the behavioral
sciences. As such, each interjection of a particular portion
of the MBO system should be carefully tailored to the situation
at hand. All too often new developments or procedures are in-
troduced with all the fanfare of a Madison Avenue production.
The reception from an audience that has been over-taxed with
'new systems' in the past is probably negative or short term,
token acceptance at best. The military services have been
over burdened with this approach for many years and this under-
standing of the differences between the real and theoretical
environment is important. The climate of the command can be
determined through simply talking and carefully listening to

small groups at various levels. With a 'feel' for the

environment the MBO process is best introduced by simply weaving

the essential basics into the fabric of the organization. The

group objective setting process, for example, should be

introduced not as 'MBO' but as the beginning of a sincere effort

to determine preceisely what the organization should be attempting

to accomplish in a given period of time.

> ...MBO...is a technique that does not
> work in many cases, though, because
> the only successful application is
> through custom designing, thoughtful
> implementation, and careful evaluation
> within the context of a total
> organization development effort.
> ...at various times in their existence,
> organizations do, apparently need to
> focus on one or another of several
> different concerns - clarity of roles,
> a sense of membership, openness of
> communication, sharing of common
> goals, and agreement on method for
> control. And there is little argument
> that MBO can be a useful method for
> working through any or all of these
> concerns. 52

Traditionally, people in the service have been authority

oriented and will probably suffer some discomfort in a major

change to a more objective orientation. When the goals of

the organization and the area of responsibility have been more

clearly defined, an individual who has become accustomed to

the old environment may interpret the change as a threat to

his status or security. He may be reluctant to commit himself

to sepcific goals in fear of the consequences of being unable

to meet his targets. The commander or supervisor must incorporate

---

52. Byrd, R.E. and Cowan, J., "MBO: A Behavioral Science Approach,"
Personnel, March-April, 1974, pp. 42-43.

techniques to alleviate those apprehensions through emphasis on the positive aspects of the process. A feedback system of recognition and rewards should be set up to provide a continuing sense of achievement. Major focus will probably continue on the commander or supervisor and, as such, he should be the strongest proponent of the new process. Once the cycle of MBO has begun to move, the personal commitment of the members of the organization should improve with each successive accomplishment.

As a part of the system design, an education program on the fundamentals of MBO should be integrated into the training cycle. Attendees should include those personnel affected by the implementation of the process. For the initial stages in a battalion, this would include the commander, primary staff officers and unit commanders. Initially, the techniques of participative management, objective setting and results determination could be incorporated as a part of the working group objectives meetings. Scheduled one or two hour classes each month in performance counseling, small group theory, interpersonal communications or other management techniques should begin to build a supportive climate for improved performance with the MBO process. Such skills take time to grow and develop, and can best be interjected as a part of an overall management improvement training effort. The unit commander who receives a continuing education as a part of the on-going working environment can test the theory in daily practical situations. It is essential that training in human behavior becomes a continuing part of the annual training program to keep the people orientation a part of the MBO system and

incorporate new arrivals into the process.

It was earlier stated that 'theory Y' assumptions should be used for the MBO approach to have its best effect. Such assumptions suggest a democratic or consultative, 'We', approach to management. In real life situations the style of management is adjusted to situational needs. Certainly in a military organization there must be the capability to demand instant response - at times only through an authoritarian approach. Differences in managers, subordinates and situations over time must be considered in their appropriate context. Most managers do not operate strictly in a democratic or authoritarian manner. Each situation requires a somewhat different technique. It is perhaps best thought of as management on a continuum. Some managers operate mostly in a consultative manner with occasional swings to the authoritarian style when the situation requires its use. Others may function in a different sector of the spectrum. The MBO process allows use of either approach, but its best effects come with the release of individual initiative with the democratic style. The idea behind MBO is to develop the capability to operate mostly in the democratic or consultative realm to allow for maximum use of subordinate initiative. This will require training and counseling, but it is important to recognize that both techniques will continue in the military.

> ...The more successful companies have
> been those whose management can be
> characterized by a balanced, partici-
> pative style, one which encourages
> maximum participation while discour-
> aging permissiveness. For obvious
> reasons, MBO will be least success-
> ful with an autocratic management.
> While MBO can achieve some measure

of success in a bureaucratic atmos-
phere, its effectiveness will be
greatly decreased by the excess of
red tape, controls, and procedures.
    The balanced, participative style
is usually defined as one in which
the maximum number of the following
attributes is actually practiced in
a maximum degree:
In-depth delegation
Maximum participation in the objective
setting and planning processes
Managers permitted to make some mistakes
Change encouraged and planned for
Policies and procedures minimal and
subject to change when necessary
Controls tight but only the minimum
imposed to keep the unit in control
A meaningful reward system
A high degree of self-management,
self-discipline, and self-control on the
part of managers.   53

Subordinate receptivity and ability to function with the

MBO process will vary. Such differences should be accepted and

handled in an individual manner. Some subordinates will be

able to readily understand the MBO system and perform well

from the beginning. Others may need more frequent counseling

and assistance in setting appropriate goals. It is important

that the process developed take these factors into consideration.

Each subordinate will interpret the process in a different

manner, and the commander or supervisor must take the time to

listen carefully to feedback. Adjustments may be necessary for

each individual. Role clarity is essential and the proper

selection and positioning of each subordinate manager should

be considered part of the process. Individual desires and ability

to meet the goals of his appointed position should also be

---

53. McConkey, D.D., "MBO-Twenty Years Later, Where Do We Stand,"
Business Horizons, August, 1973, p. 28.

considered to optimize the effects of MBO process.

Initiation of the program should be carefully planned over a period of time. Major changes in the organization environment over a short period could develop into situations that are difficult to correct. People become threatened and frustrated under such circumstances. The implementation of the MBO process is best accomplished from the top of the organization down - one level at a time. At each stage sufficient time is provided to allow for three or four review periods (approximately three months per period). This sequencing provides time to adjust resources and focus on meaningful objectives.

> One of the major reasons for the failure of MBO in many organizations is that those in charge fail to recognize the political character of the implementation process. MBO is indeed logical and systematic, but it also must deal with a number of factors, including power and authority, the organization form, and the values and expectations of people. The MBO implementer, therefore, must recognize the reality of political constraints and manage them during the process of implementation. 54

Establish Meaningful Objectives

The establishment of meaningful objectives is a difficult and time consuming process. All too often this is one area in which the 'given' is taken for granted and the manager simply accepts the goals that he now has as part of his MBO program. While for some goals this may be correct, all too often this is not appropriate. An 'objective' takes on a

54. Odiorne, G. F., op. cit., p. 13.

somewhat different meaning under MBO. To state simply that
the organization's goal is to 'achieve the highest possible
readiness condition' is not sufficient. What is the highest
possible readiness condition? What can be done (in concrete
terms) to bring the unit to a particular status under given
constraints of time and resources? An objective, in the MBO
context of the term, defines a particular accomplishment in
a given period of time that directly relates to the basic purposes
of the organization. Such goals should be quantified where
possible and identified with one responsible agency (or
separate the part that is their responsibility). Recalling
Lewin's "level of aspiration," such goals should be established
between a framework of being high enough to incite challenge,
yet not so optimistic as to be beyond the capability of the
individual supervisor and his available resources. The lower
limit should be high enough to provide an intrinsic sense of
accomplishment, yet not so low that attainment lacks meaning.
At the same time, care must be taken to develop clear indicators
of goal achievement. Control is an inherent part of the objective
review and should be built in from the beginning. Indicators
can be in the form of a percentage of goal attained or stages
of a work schedule spaced over a period of time.

> Start off with an action verb.
> Identify a single key result for each
> of the objectives.
> Give the day, month, and year of esti-
> mated completion.
> Identify costs. ie: dollars, time,
> materials, and equipment.
> State verifiable criteria which signal
> when the objective has been reached.

> Be sure the objective is controllable
> by the person setting the objective
> and, if not totally controllable,
> at least isolate the part that is.   55

Under the MBO approach objectives are normally categorized
into routine, problem solving, innovative or personal goals
to aid in clarifying the major functions of an organization.
Routine goals are normally considered those that fall into
the area of continuing daily activities. Such functions as es-
tablishing and meeting a training or maintenance cycle would be
in this category. Recurring administrative requirements such
as reports needed at higher levels might be another area. An
example for a unit commander might be:

-To reduce the vehicle deadline rate due to organizational
maintenance by five per cent (pessimistic) to fifteen per cent
(optimistic) by 21 March 19__ .

Note that this objective has the characteristics required.
Assuming resources are sufficient to the tasks, the goal is
narrowed to the functional activity provides a challenging
range for improvement and establishes a time for completion
that coincides with normally required quarterly readiness
report.

The problem solving category includes those goals that
require action to resolve an area of difficulty. In a sense,
the concept of MBO encompasses 'management by exception' through
making the problem areas objectives that are resolved as a
part of the continuous planning process. The use of MBO,

---

55. Lasagna, J.B., "Make Your MBO Pragmatic," Harvard Business
    Review, November-December, 1971, p. 64.

however, should eventually reduce the crises that arise with 'exception' situations through programmed improvement. In the normal course of daily activity objectives may be surfaced in a number of functions. Such goals usually have an end result that eliminates the difficulty. One example might be:

-Through the use of self-help labor, to construct a Petroleum, Oils and Lubricant (POL) storage facility for A Company motor pool by 30 June 19__.

Once this facility is completed the storage problems of security and safety on a vehicle may be eliminated. Other examples could be demonstrated improvements in the dining facility, supply room or billets areas. Once such goals become known to a commander, he may now set in motion staff assistance required. In this example, the S-4 might be able to assist in helping the unit obtain materials and directions from the facilities engineer.

The innovative goals are those which require imagination and may materially improve the efficiency or effectiveness of the command. One example might be to develop a personnel management program for a supply computer in a support battalion (to maximize use of equipment during reduced workload time). Another for a tank battalion might be:

-By 1 July 19__ to conduct a four day assault field exercise without the use of radios to improve the battalion's ability to function in a modern electronic warfare (EW) environment.

This objective would require considerable planning and coordination between the units and the staff. Training in the use of flares, arm and hand signals, and other means of communication would be required. This type of challenge might evoke new ideas on communicative methods in the field. The list of innovative areas is extensive and such ideas are normally passed over as other events fill the time schedule. With careful planning these objectives can be brought out and integrated in the work program.

Personal objectives are those that an individual manager might express as his own desires and will normally relate to self-improvement needs. From these goals a commander may get a feel for some of the aspirations of his subordinates. With this knowledge he may be able to provide guidance or assistance. As is often the case, many unit commanders or staff officers may be assigned to a position for which they lack the necessary background or training. The commander may be able to send the individual to a school or provide information in developing a particular knowledge. An example of a proposed objective for a staff officer assigned to an ordnance ammunition battalion (without recent training or experience) might be:

-To successfully complete through Phase III of the Ammunition Officer's Correspondence Course by 1 September 19__. Now the commander is aware of this officer's effort to improve his ability on his own time. Proper recognition can be given for achievement and the returns for a battalion in the ammunition business may be significant.

In each objective functional area, the emphasis should
be on improvement over the current status. The initial effort
to determine relevant goals will require a considerable amount
of time. The determination of what precisely constitutes a
five per cent reduction in vehicle deadline rate, for example,
should be sorted out and directly related to a real improvement
in capability. Care must be taken to insure that such effort
does not become a paperwork exercise. Wherever possible, emphasis
should be placed on measureable, qualitative or quantitative
improvement in readiness posture in a given period of time.
A commander should recognize that goals may vary considerably
from unit to unit. An achievement of a ninety per cent vehicle
operational capability, for a unit with an experienced motor
sergeant, may be easily attained, while another unit with
a young specialist fifth class senior mechanic holding that
position may struggle to achieve seyenty per cent. The
important point is that such differences are recognized -
not penalized. These differences may surface problems that will
become appropriate areas for staff objectives.

> 1. Goals should be stated in a form
> that facilitates their use in measure-
> ment of results at a future time.
> 2. Goals should be stated in a way that
> will affect behavior and results. They
> should not be employed to set in writing
> those activities, even if they haven't
> been discussed and confirmed in writing,
> which he would have performed anyhow.
> 3. The two basic tools for setting the
> goals are a dialog and a memo. The
> dialog comes first since cold memos have
> a cold and often damaging effect. The
> memo is a confirmation in writing of what
> has been agreed upon between man and boss.
> 4. The goals should be stated in a form
> which permits their use during the period

> for self-guidance and self-feedback, and
> not etched on copper and buried in a
> cornerstone to be disinterred a year
> later when the personnel department calls
> for the annual performance report. 56

In its inception, the MBO process may generate numerous objectives. While there is seemingly no limit to what could be accomplished, the commander must assist in sorting out priority objectives. Many functions that are surfaced may be irrelevant and should be eliminated. Only those goals that directly relate to the purpose of the organization should be retained. The initial list could be limited to a specific number until the process has begun to take hold. The commander may interject additional targets and will determine priority groups. This analysis should take place in a one to one interview, relatively free of interruptions. Several meetings may be required until the final list is agreed upon. Once this step is completed, both the commander and subordinate should retain copies of the list.

Insure Review Periods Are Conducted

> ...During the year check each subordnates
> goals as promised milestones are reached.
> a) Is he meeting his targets? Time, cost,
> quantity, quality, and service should be
> measured here.
> b) Should his targets be amended? Don't
> hesitate to eliminate inappropriate goals,
> or to add new targets if a special opportunity
> arises.
> c) Are you delivering on your part in helping
> him?
> d) Use the jointly agreed upon goals as a
> tool for coaching, developing, and improving

---

56. "Introduction to MBO," The Conference Board, 1973, p. H-1.

> each man's performance on a continuous
> basis. Reinforce good results by a
> feedback of <u>success</u> when you see it.
> Allow a man to make some mistakes (don't
> hound him for them) but use his failures
> as a platform for coaching. 57

When the objectives have been clearly established, the

commander should set a time for the periodic review. Such

periods are best scheduled at three or four month intervals

to allow sufficient time for the subordinate to effect a

measurable change towards goal attainment. Again, the

interview or coaching session should be one to one in an

environment relatively free of interruptions. The subordinate

should be allowed to report his progress to date and indicate

any resource limitations that he has encountered. The art of

inquiry should be used to determine problem areas or, perhaps,

successful methods that may be passed on to other subordinates.

This is not a 'performance evaluation' session as such. The

concentrated attention of both commander and subordinate is

directed towards accomplishment of mutual goals. An attempt

is made to honestly decipher the actual status - not simply a

cursory examination of numbers in a report. Each objective is

discussed in turn with the commander noting ways that he can

assist or asking questions to allow the subordinate to draw

out his own mistakes. Criticisms of the subordinate's

personal performance are not appropriate here and should be

left for a separate counseling session. The focus should be

maintained on the listed objectives.

57. Odiorne, G.F., op. cit., pp.71-72.

> This is the session where the goals of
> the Management by Objectives system can
> be best realized. We are now zeroing in
> on those skills, techniques, learnings,
> etc. that the man must have to:
> IMPROVE HIS JOB PERFORMANCE and
> GUARANTEE HIS CONTINUED PERSONAL DEVELOP-
> MENT AND GROWTH.
> It is now that the MAN is meeting with
> his manager realizing that the manager
> is there to COUNSEL, ADVISE AND PLAN WITH
> HIM - NOT CRITIQUE HIM! 58

Development of the supervisors' listening, diagnostic

and inquisitive skills should be a part of the training effort

that coincides with an on-going MBO program.

> ...Instead of immediately telling him
> "How it's Done," when he confronts you
> with a problem, TRY asking him the
> following questions:
> What is the PROBLEM?
> Why do you THINK it exists?
> What are some of the ALTERNATIVES that
> you have DEVELOPED?
> What are YOUR RECOMMENDATIONS?
> You will see HE is called upon to THINK,
> then to PRESCRIBE, and then select the
> best possible cure for his ills, how
> he sits a little taller in the chair. He
> will recognize he CAN ANSWER HIS OWN NEEDS,
> AND EFFECTIVELY, TOO, IF HE IS GIVEN THE
> THE CHANCE. LET him have that chance as
> often as possible. 59

The periodic review is used to re-orient both commander

and subordinate. In a sense, it is a mid-course correction

that allows both addition or deletion of objectives as

appropriate. The commander attempts to determine whether or

not he can assist. He may determine that the subordinate is

spending too much time and effort on a goal that is not cost

---

58. "Introduction to MBO," The Conference Board, 1973, p. 49.
59. Ibid.

effective. The subordinate has a chance to 'try-out' his
accomplishments and direction on his commander. A change
in priorities may have been made without his knowledge and
he can re-adjust his resources. Both commander and subordinate
should complete the review session with an adjusted list of
objectives and a clear knowledge of the new actions re-
quired. The important point is that such review sessions are
scheduled and held. Perhaps one of the most significant causes
of failure in MBO programs may be directly traced to a lack
of follow up through regularly scheduled review periods.

> The research suggests that feedback
> frequency is an important determinant
> of the success of MBO. Virtually all
> the relationships between feedback
> frequency and the criteria variables
> were positive. For example, higher
> feedback frequency was related to more
> favorable attitudes toward the program,
> higher goal success, improvement in the
> relationship with the superior, a per-
> ception that the organization supports
> the WPR (MBO) program, a feeling of
> supportiveness and interest from one's
> superiors, and satisfaction with the
> superior. Our data also indicated that
> feedback frequency seems especially
> important to managers low in self
> assurance, cautious in decision
> making, and with jobs involving
> frequent change. 60

Many objectives will overlap both command and staff,
and it may be necessary to conduct a group review. Such
objectives are most appropriately covered in a scheduled
organizational review program. This type session should
be scheduled approximately once every six months to attempt

---

60. Carroll, S.J. and Tosi, H.L.Jr., op. cit., p. 42.

to tie together overall organizational accomplishments. In a sense, this becomes a group objective review period, wherein the commander's goals for the command are accumulated and analyzed. The status of each functional area is presented to the group for review and comment. In these meetings the organization's goals are restructured with emphasis on new planning and coordination between subordinate commanders and staff. The concentration here is on new action directed towards future improvement. Simple review and analysis of past mistakes are not sufficient. This approach seems to be common for many periodic 'commanders call' type meetings. All too often a 'laundry list' of past mistakes combined with numerous charts on outdated or insignificant information takes the steam out of what should be a productive, future oriented session. The commander should insure that the group effort is focused on priority goals that require coordinated action.

Provide Recognition and Feedback

To close the loop on the MBO cycle the commander or supervisor should understand some of the basic elements of human motivation. From Herzberg's analysis of the motivator factors, it was apparent that recognition and achievement are strong, short term reinforcing mechanisms. Doctor Clifford E. Smith reported an Air Force comprehensive study of officer motivation that closely agrees with the Herzberg findings:

> The "New View" (study) confirmed Herzberg's theory on the officer group investigated,

> finding the motivators in the Air Force
> to be achievement, recognition, the work
> itself, responsibility, advancement,
> growth....   61

It is important to emphasize recognition and achievement on

a regular basis. As short term motivators, these factors are

very much a part of the daily work environment and connot be

forgotten until the periodic review. As this study suggests,

most officers have perhaps the same basic needs as managers

in business or industry. A perceived sense of meaningful

accomplishment is critically important and provides its own

reward - to a degree. A well timed congratulatory remark

or letter from the commander can reinforce high initiative.

To be fully effective, it must be genuine and related directly

to the specific accomplishment.

> In the area of recognition, there may
> be a number of programs similar to
> 'Junior Officer of the Month' and 'Accent
> on Bars'. These can be worth while, but
> they only scratch the surface. You don't
> motivate a thousand men by recognizing
> one of them, and even one a month does
> not give many a chance to be recognized
> during the year. Recognition as a
> motivator needs to be less automatic
> and more personal. It is the awareness
> by the individual on a daily basis that
> is important. This is accomplished in
> many ways by the supervisor as he relates
> to the worker - by thanks for a good job,
> a word of praise sincerely given, daily
> courtesies showing interest in the
> individual as a person. 62

The other motivator factors are of longer duration in

61. Smith, C.E., "The Implications of 'New View' for Motivating
    Officer Behavior," Air University Review, March-April, 1969.
62. Ibid., p. 61.

effect and are normally provided for officers as part of the
environment in organizations of brigade size or lower. The
'work itself' is demanding, and, with the increased responsi-
bilities under MBO, a sense of 'growth' can be a part of each
successful accomplishment. The 'responsibility' is normally
significant at this level and all that one individual can
handle. 'Advancement' in the military is well defined and,
perhaps, as rapid as it can be under current restrictions.
The commander should seek to incorporate these factors of job
enrichment in each officer position and understand their
importance in an MBO program.

Feedback under MBO is two-way and the commander must be
sensitive to the need for continuing revision of plans and
goals. As a cyclic process, MBO is dynamic and depends on
increased communication from all sectors and responsive action.
With a careful evaluation of the remarks of his subordinates,
the commander can male planned adjustments in operations and
resources that do not vibrate the organization to the point of
inaction. Once basic goals are set, the adjustments are
incremental and sequentially programmed to preclude major
interruptions of work flow.

Problems and Criticisms of MBO

Implementation and use of the MBO technique has a number
of drawbacks. Initially, there are extensive demands on
management time to formulate organizational objectives, re-
organize (if necessary) and develop individual manager goals.
This particular phase may require several meetings (both group

and individual interviews) to be able to explicitly define goals that are measurable and directly related to the purpose of the command. Once the goals are determined, additional time is required to decipher success indicators. The planning process, to sequence accomplishment over a period, is a further drain on management time. All of these elements may have to be spread over a period of several months to develop a worthwhile program. Although these requirements are essential to the initial phase, the returns at a later date should more than justify the expense. Once the basic objectives have been constituted, the adjustments during review periods are incremental and the lost time is returned by pre-planned accomplishment and a reduced requirement to manage all facets of an organization. In the long run, the process should actually save management time and allow time for concentration on priority areas. The commander can direct his attention towards the major functions of the organization while the subordinates assume full responsibility for their own areas and objectives.

When the process begins to function, subordinate leaders may find themselves competing for limited resources to achieve basically the same goals. This may become most evident in the motor pool and supply areas. With all units attempting to meet higher goals, conflict could erupt in the resulting competition for repair parts or basic supplies related to unit readiness. In a sense, MBO invites competition and, to a certain degree, this may actually improve goal achievement. Without some controls this competition might become counter-productive. The commander and his staff should attempt to insure that the

established goals are within available resources. Even with
this restriction, the continued emphasis on objectives will
develop situations where conflict cannot be avioded. Under
these circumstances, the commander and the staff will be
required to develop the ability to manage conflict situations.

Often the attempt to focus on quantifiable goals may lead
to a neglect of areas that are difficult to quantify. Goals
that are important, yet subjective in nature, may be avoided.
Coupled with these tendencies may be a perceived threat to
job security or status as a result of failure to achieve
stated objectives. The subsequent objectives list presented by
a subordinate may contain only those goals that he is certain
will not damage his status. For others, the act of submitting
objectives may be perceived as a demonstration of initiative
and the goals set may be far beyond the capability of the
individual. Some may interpret the whole system as a form of
manipulation by the commander and attempt to undermine the
process from the beginning. Again, it is important to understand
the necessity for the careful initiation of an MBO program.
All of these factors can be handled over a period of time, but
time and patient effort are required. As it was pointed out
earlier in the KLM Royal Dutch Airline case, each implementing
step should be planned with the gradual introduction to the
organization department by department or level by level.
Situations described above should be dealt with on a case by
case basis. In some instances, the commander or supervisor
may have to sit in many goal setting sessions with certain
subordinates to be able to establish a meaningful program. The

original list may be changed many times before it actually becomes a well defined plan for improvement.

With the decentralization and delegation brought about by an MBO process, the commander assumes a greater degree of risk. The increased authority for action at lower levels may result in increased mistakes - at least until the subordinate learns to develop his sense of balance with the expanded responsibility. A unit commander with an objective of accomplishing a certain type field exercise in a period of time may attempt feats that are beyond normal safety precautions (example: a long night march cross-country with tanks or armored personnel carriers). The commander should be alert to such possibilities and may have to intervene.

Some have criticised the MBO process as a loss of control. Improperly introduced, the system of decentralization could be interpreted in this manner. The use of this process significantly increases goal directed activity at the lower levels and a lack of follow-up could be interpreted as an organization 'out of control.' With a well managed program, the major objectives or functions are highlighted and the commander spends his time managing these areas. With the continued use of review and follow-up the commander is well aware of the most critical activities and his control should naturally be enhanced. MBO is <u>not</u> a 'laissez-faire' method - it is a system that readily identifies those areas that should be in the commander's focus.

> It is obvious from all this that the
> main problems with MBO lie not in the
> basic characteristics of the approach

itself but in the way it 's used by
individual organizations and managers
within those organizations. Most of
the reasons cited for a reduction in
the effectiveness of an MBO program are
management practices that would limit
the effectiveness of any new program.
It also seems to be true that programs
involving planning, motivation, and
appraisal do not fade away with the
mere adoption of the MBO approach.
How the program is implemented and
carried out is critical. 63

Adaptation of MBO to the Army

MBO was officially adopted in 1973 as a government wide

program to improve management of operations. One example in

the Department of Defense (DOD) is a current project entitled

"MBO 3 - Increase the Efficiency of the Defense Department."[64]

This program is directed towards the reduction of paperwork

throughout DOD. The Department of the Army (DA) has a number

of on-going MBO programs, some of which were discussed in

Chapter 2. Some of the literature emanating from DA encourages

the application of MBO in Army units. In this sense, the

process has been officially sanctioned as one method available

to commanders.

One of the problems indicated by Dr. Fry in the Fort Bliss

project was the rapid turnover of key personnel in the Army.

With the recent policy changes to stabilize tours, the effects

of this problem should be reduced. When a change does occur,

the departee simply presents his list of objectives to the new

arrival and discusses the status of each objective and any future

63. Carrcll, S.J. and Tosi, H.L.Jr., op. cit., p. 45.
64. Bailey, M.L., "MBO 3, Action 4: An Effort Toward Reporting
    Efficiency," Defense Management Journal, January, 1975, p. 50.

action he may feel appropriate. The new arrival then uses this list to establish his own objectives. In his initial session with his supervisor, the 'newcomer' presents his own revised list of goals to his supervisor and states reasons for changes that he has made. In this sense, MBO actually enhances continuity in a position change. New people are brought on board through continuing on-duty education in the techniques of MBO. The in-house MBO consultant incorporates the new arrival in initial and on-going training programs.

There are, perhaps, more similarities than differences in the type of work done by middle and lower managers in the Army and those at similar levels in other government agencies and industry. Both have reports to complete, projects that require phased completion and resources to employ. Both have continuing education programs that require similar abilities. The Army has long been in the business of establishing goals to improve the readiness posture of the land forces and its equipment maintenance and supply objectives require management functions similar to those of industry.

The differences exist more, perhaps, in the perception of individuals than in actual degree. The Army is commonly perceived as a completely structured, autocratic organization. The Army consists, however, of people with feelings, attitudes and values that are influenced by their environment. Recent changes in this environment have allowed significant improvement in the communications process (Human Relations Councils, Equal Opportunity Programs, etc.). The informal communication process has always existed and probably accounts for a

significant part of the daily accomplishments in this service.
What should be understood is that there is (and will continue
to be) an authority (vertically) oriented system. A more
sincere acceptance of critical feedback is necessary to
maximize the utility of this process. MBO can be used to improve
this system with programmed or system-forced one to one review
periods. Lateral communications is a continuing trouble spot
in the Army. All too often the operations officer embarks on
a project without passing on his intentions to the logistician.
The results are easily imagined. Through a pre-planned group
objective session such probabilities for error are minimized.
All concerned are in on the projected schedule from the
beginning.

In an attempt to determine the attitudes of some of the
Army's possible future battalion commanders, the Varney MBO
Readiness Questionnaire [65] was administered to fifty-four
members of the Command and General Staff College (Regular
Course) Class of 1975. Appendix E provides a full disclosure
of the Questionnaire and results. These results appear to support
the contention that current managers in the Army are not totally
autocratic in their approach to management. Further analysis
reveals a need for training in behavioral management techniques.
It is interesting to note that such techniques are not taught
as part of the Regular Course curricula. Only a small per-
centage of the class receives instruction in behavioral acience

---

65. Varney, G.H., Management By Objectives, 1971.

applications in one of the elective courses. Another finding indicates an apparent dichotomy between what higher level management says and actually does towards some of the applications of behavioral management techniques.

Failures in the use of MBO in the Army have been largely in the areas of program initiation and follow-up. It is essential that a commander desiring to implement the process carefully plan his program with these errors in mind. The entire project will depend upon his continued personal emphasis and focus on objectives that are perceived as directly related to the purpose of the command.

> The experience of various and diverse organizations over roughly twenty years has singled out a number of reasons for the failure of some organizations to make their mark with MBO. The pitfalls include:
> -Considering MBO a panacea
> -Lacking participation by subordinates in setting objectives
> -Delegating executive direction of the program
> -Leaving out staff managers
> -Creating a "paper mill" with forms and procedures
> -Failing to provide feedback to the individual manager
> -Emphasizing techniques over the system
> -Implementing too quickly
> -Failing to reward performance
> -Having objectives which are not supported by adequate plans
> -Being impatient for results
> -Endeavoring to overquantify objectives
> -Stressing objectives instead of the system
> -Dramatizing short-term objectives
> -Omitting periodic reviews of performance
> -Omitting refresher training with respect to refinements and managers new to the system
> -Failing to blend individual objectives into the whole

-Managing without the necessary "guts"
-Lacking ability or willingness to delegate. 66

66. McConkey, D.D., op. cit., p. 34.

CHAPTER 4

A PROPOSED SYSTEM

In this chapter a MBO system is presented for use in an Army battalion. The design is basically an adaptation of Odiorne's 'Cycle of Management by Objectives' to the eighteen month command period that appears to be prevalent at the time of this writing. The battalion organization is shown in Figure 4 and provides the conceptual vehicle for this design. While it is understood that battalion organizations differ considerably, the underlying concepts can be adapted to similar military organizations with minor adjustments. The time schedule is flexible and may vary significantly depending upon the degree of success achieved in establishing an initial program. It is emphasized that the initial stages should not be rushed. A hurried effort could result in wasted resources on inappropriate goals and might undermine feelings during a period of significant change in organizational procedures. The system is designed to initiate MBO from battalion through company and (possibly) platoon level - the latter depending upon the degree of success achieved during the time allowed. Only unit commanders and principle staff officers are involved during the steps described here. Full implementation through all levels should only be attempted after this initial cycle has taken hold as the standard practice.

There are basically nine steps that are shown in Figure 5 and will be discussed in sequence. The system design itself is

71

FIGURE 4
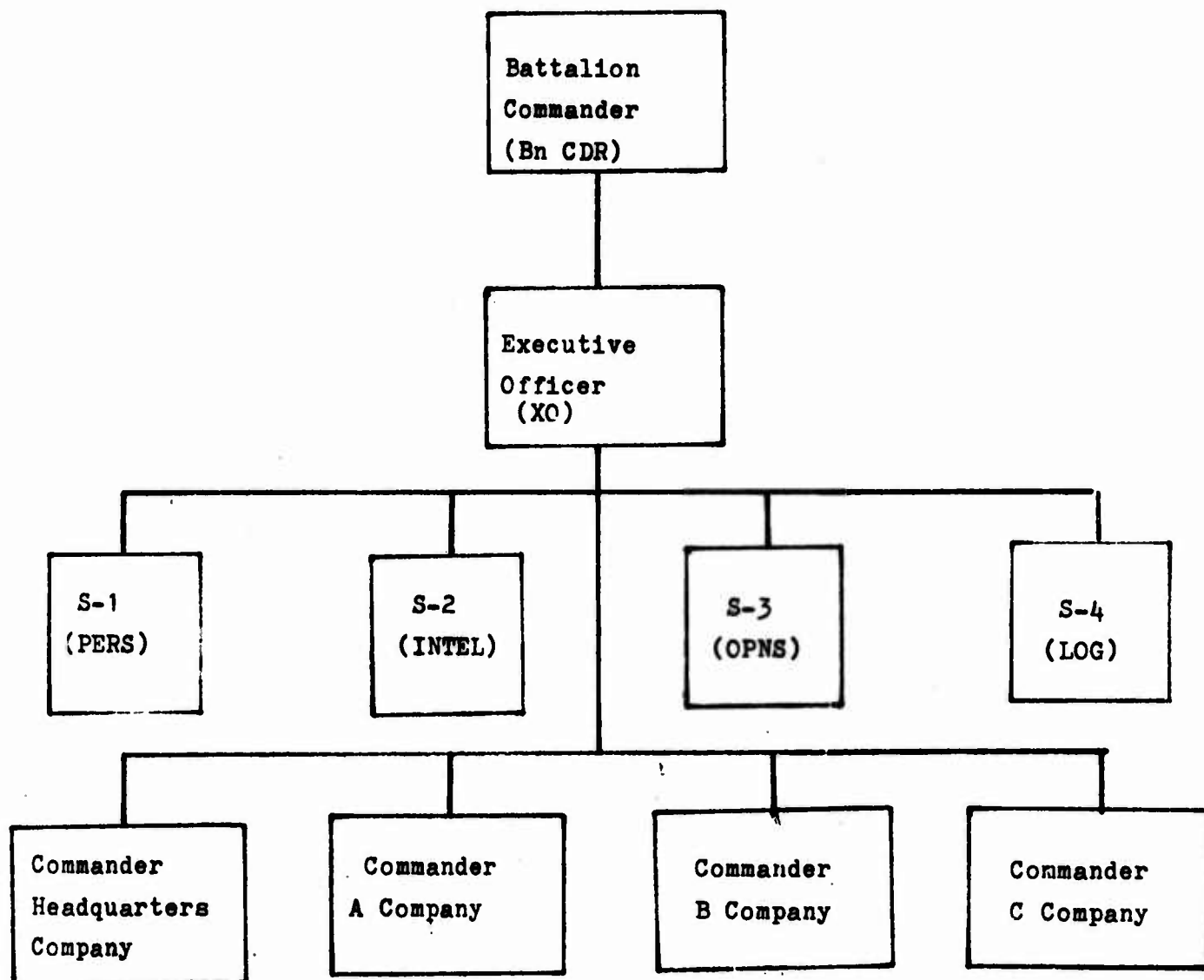
Battalion Organization

FIGURE 5

Battalion MBO Cycle
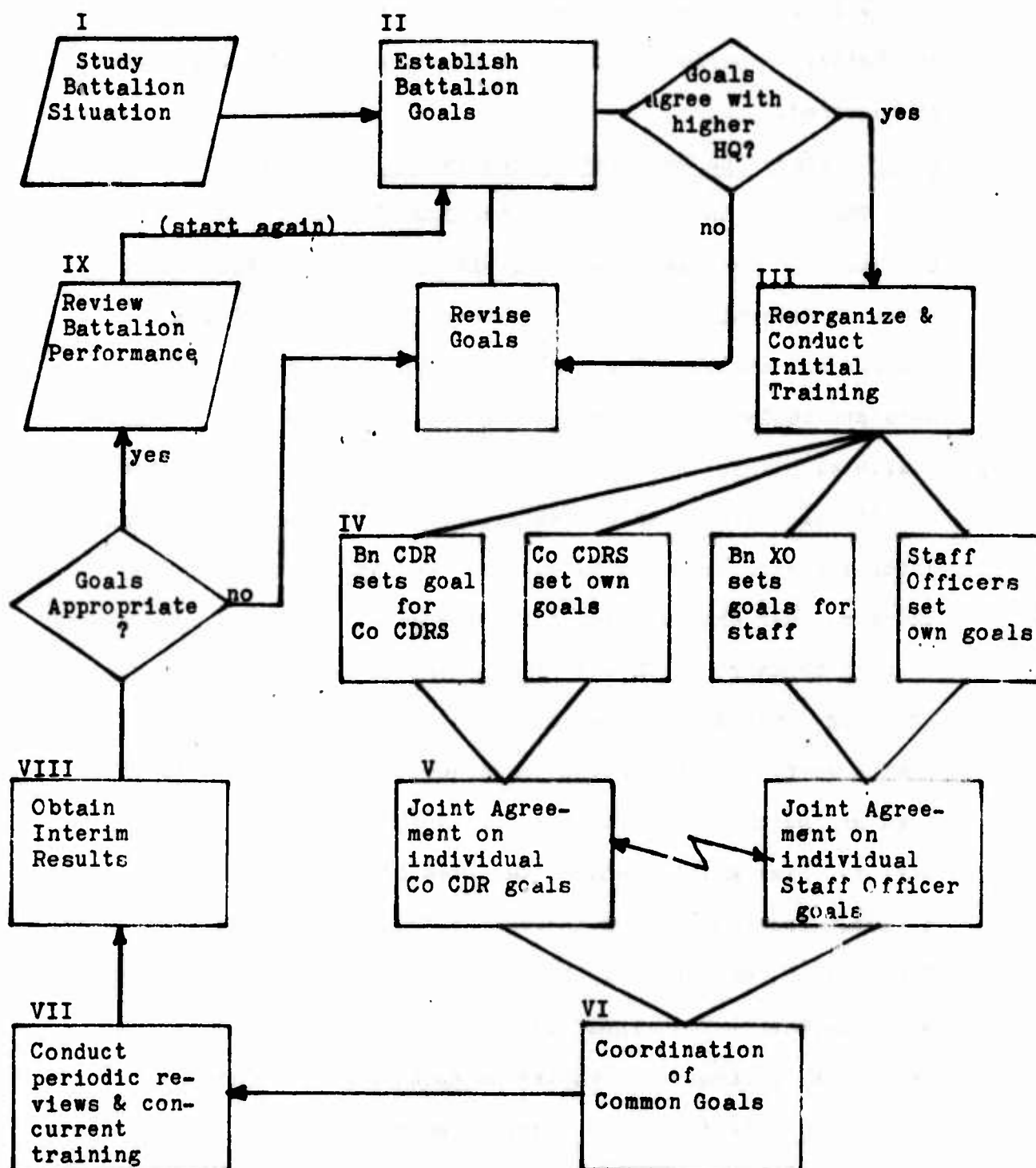
flexible and can be altered to meet the requirements of a
particular situation. For example, it may be necessary to revise
battalion or individual goals at any step through the process.
The overall concept, however, remains essentially the same.
Once the battalion and individual goals have been established,
the cycle becomes simply one of holding regular individual
and battalion periodic reviews with adjustments in objectives
as required.

STEP I: Study the Battalion Situation - 1st Month

This step is assumed to occur immediately after a change
of command. The new commander, with the help of the staff,
seeks to determine the basic purpose of the battalion and
its current status. The stated mission is examined and
data are collected to analyze current operations and resources
availble. This is essentially a research effort to define
functional areas in which battalion goals can be determined.
Initial visits are made to each of the subordinate units.
The commander should attempt to determine the needs and status
of each company. Each unit commander should be asked to begin
thinking about his own set of goals for his unit for the
coming year. The battalion commander takes this time to note
down any particular problem areas that may require his own
action. Similarities and differences are examined between units
to determine reasons for success or failure in particular areas.
For example, one unit may have an excellent dining facility
while another needs significant work. Critical examination
may reveal personnel shortages or management problems that may
be attributable to action required by battalion staff.

Other visits should be made with higher headquarters,
similar battalions and, if the battalion is the support
type, to supported commands. At higher headquarters the commander
seeks to determine the status of his battalion at that level.
He also attempts to determine the objectives of his higher
commander (and his staff) and his own battalion's contribution
to those objectives. At adjacent battalions the visit is used
to seek out what objectives are established in similar areas
and the means that are used to accomplish those goals. If the
battalion is of the support type, visits are made to each of
the supported commands to determine the status of the support
provided. Notes are made as to areas that should be improved.
Careful inquiry may reveal suggestions that could enhance the
quality of support provided.

In this step the commander may select the in-house staff
MBO consultant. This officer should be alloted time to prepare
for the initial training program and be provided the assistance
necessary in obtaining materials. The consultant should under-
stand that it is his job to develop an extensive knowledge of
the MBO process in order that he may serve as the focal point
for advice and assistance as the program develops.

STEP II: Establish Battalion Goals - 2nd Month

Once the commander has assimilated his background
information, the next step is to develop meaningful and
(hopefully) measurable battalion goals. During this period
a series of meetings is set up with the Executive Officer,
staff and unit commanders (if necessary) to get input on

precisely what the battalion, as a whole, should be trying
to accomplish over the next twelve months. Visitors from
higher headquarters and supported units (as appropriate) may be
asked to sit in on these meetings. This is a particularly
critical phase and the outcome should be carefully studied to
determine the key objectives and their respective indicators.
Emphasis is placed upon actual accomplishments that should be
completed during the time ahead. Broad goals are critically
examined to determine the more specific operations to be com-
pleted that will lead to the status desired. An overall objective
to have all units achieve an 'Excellent' or higher rating on
the Annual General Inspection is not enough. Specific actions
such as staff courtesy inspections during predetermined time
frames must be sorted out.

Once a final list of battalion goals has been established,
the commander, executive officer and respective staff members
of such functional areas as personnel, logistics or training
conduct analysis sessions to establish priorities and reallo-
cate resources, as necessary. The team approach is used
throughout program development to insure that all key officers
recognize the necessity for coordinated action and understand
that each individual is expected to become a primary contri-
butor in this process. The commander selects the final list of
objectives and their relative priorities. With this list he
sets a review session with higher headquarters staff and, finally,
with his superior. The list of battalion goals is matched
with those of higher headquarters to determine their relevance.

New additions or deletions may be made by the higher command
and priorities may be changed. The outcome should be a list
that the battalion commander and his superior jointly agree
upon. From this list the battalion-wide priority objectives
should be published and distributed throughout the command and
updated as changes are made after subsequent review periods.
Careful attention should be paid to feedback from key members
of the battalion in future tours through the area. Adjustments
may be noted for the battalion cumulative periods.

STEP III: Reorganize and Conduct Initial Training - 3rd Month

Each battalion objective should be matched with the
resources of the organization. An attempt to clarify exactly
who is responsible for each objective (or which part of each
objective) is necessary to identify those to be held accountable.
In most instances the results will be cumulative and the current
organization will readily identify responsible individuals
with no changes required. In some cases, it may be
necessary to separate who is responsible for a particular
part of an objective. As an example, in some objectives the
S-2 and S-3 may have overlapping areas. Insofar as possible,
these areas should be separated to determine, at each stage,
the individual required to accomplish each particular part.
Under certain circumstances, it may be necessary to reorganize
or adjust resources among subordinate elements. This type re-
quirement may be more relevant to a support type battalion
where units may require some reorganization to allow a single
company responsibility for a set of customers or a certain

type of maintenance or supply function for all supported units. The end result should be a readily identifiable set of respon- sibilities attributable to each company or staff element as appropriate.

The initial training requirement should consist of a series of one or two hour classes once each week for approxi- mately one month for the staff officers and unit commanders. The objective of this training would be to acquaint all with the process of MBO and the techniques of establishing meaningful objectives. Such training could be combined with actual individual goal setting in the last two periods. The staff officer designated as MBO consultant has the primary task of preparation of these classes. The literature available on the subject is extensive. Some of the items that are most appropriate for this type preparation are marked with an asterisk (*) in the Bibliography and could be obtained through most post libraries. The initial training need not be extensive, if it is well presented. The most difficult part is the establishment of unit or staff objectives and indicators that signify accomplishment in a real sense. Additional management skills (participative management, counseling techniques, etc.) should be taught in a concurrent training program consisting of classes once each month beginning after the initial training has been completed.

STEP IV: Set Individual Goals - 3rd Month

Once the initial training has been completed, unit commanders and staff officers should have a feel for their

own objectives. This is not simply an individual effort. It should be brought out during training that the members of the unit commander's own 'staff' (platoon leaders, executive officer, etc.) should be consulted as to their ideas in much the same manner as the battalion commander established his goals. During the goal setting training, unit commanders should be encouraged to compare notes with battalion staff officers. The idea is to build a team approach - although the final list will be the unit commander or staff officer's own work. During this period the battalion commander and executive officer write down the objectives that they feel they want their respective subordinates to accomplish in the coming year. The objectives should be categorized into routine, problem solving, innovative and personal areas to assist in the review process. Figure 6 is a proposed form that could be used.

STEP V: Conduct Joint Agreement Sessions - 4th Month

Individual goal setting interviews are scheduled by the battalion commander and executive officer during the fourth month. (By this time the commander and executive officer should have agreed upon the latter's goals). The meetings are set up for one individual subordinate each for the commander and executive officer. The periods are conducted one to one in closed session as free as possible from interruptions. Such meetings may have to be held after normal duty hours to allow time for concentrated discussion. The superior should have the subordinate present his list and discuss his rationale for each goal. The superior's best approach is to first listen

FIGURE 6   80

Objectives Work Sheet

Responsible Agent __CDR, Co A____   Date Started_10 Dec 197-_

Supervisor ___Bn CDR_____   Type Objectives_Routine_

Objectives	Pri-ority	Estimated Completion Date	Range		Quarterly Status			
			Minimum	Optimum	1	2	3	4
Example: Complete physical fitness test with over 80% of unit personnel scoring above 350	II	20 Jun 19_	80% pers. above 350	95% pers. above 350	75%			

Reviews:

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Date	22 Mar 197-	Jun 197-		
Supervisor	(signature)			
Subordinate	(signature)			

page _____ of _____ pages

carefully and ask the tough questions to cause the subordinate
to develop his own evaluation of his goals. Each objective
should be analyzed to determine its clarity, probability of
achievement and relevance to the unit or battalion mission.
Goals that are irrelevant are deleted, and adjustments are made,
up or down, depending upon the resources and time available.
The battalion commander or executive officer then adds goals
that he feels should be included and establishes overall
priorities. Achievement indicators are defined to provide a
clear indication of success. A framework (similar to the
'level of aspiration') is established to determine the degree
of success. (see Figure 6). The results of this effort should
be a well defined list of goals that both the superior and
subordinate agree upon. The list should be typed or printed
with one copy for each participant. Finally, the commander
or executive officer should set a firm date for a review
period two to three months away.

STEP VI: Coordinate Comman Goals - Beginning of 5th Month

At the end of the joint goal setting period, a final
coordination meeting is held to discuss common goals. The
individual problem areas relative to only one unit or staff
element should not be discussed. This is a team building effort
to determine where staff or coordinated assistance is needed
to achieve common objectives. Conflicting interests are settled
and resources re-allocated if necessary. Plans are made to
best sequence goal accomplishment. For example, if the
battalion has the use of a firing range or particular training

area for a limited period of time, the breakout to units is made at this meeting. The battalion commander restates his basic goals and their relative priorities. The outcome of these meetings should be a well coordinated plan of attack for the future year. A date is set for a battalion overall performance review and objectives meeting from four to six months in the future.

STEP VII: Conduct Periodic Reviews and Concurrent Training-6th Month
(and every 2-3 months thereafter)

The periodic review periods are held in much the same manner as the one to one joint goal setting sessions. Review meetings are scheduled and held once every quarter, as a minimum. The purpose of these meetings is to determine the continued relevance and status of each objective. Goals may be adjusted to meet changes in the overall program. Additions or deletions are made, as appropriate, and priorities are updated in accordance with the current situation. The commander or executive officer should attempt to determine the status of the subordinate's program and any additional assistance or resources that may be needed. Feedback may reveal a need for change in the overall battalion program.

Success should be recognized and failures should be closely examined. Some goals may not be within the capability of the individual - given current resources. It is important to emphasize the use of proven counseling techniques. Goal success should receive sincere positive re-enforcement and the superior must refrain from hard criticism of failures. If the subordinate

perceives a threatening situation, then he may lower his goals
to the point of no significant accomplishment, attempt to achieve
success through devious means or report a situation that does not
exist. To build a supportive climate, the supervisor must con-
tinually insist on honest assessment and insure that he does
not destroy this atmosphere through communicated threats. The
superior should ask the question: 'What can I do to help?'
Outside assistance for trained personnel or additional equipment
may be required. This session should end with an adjusted set
of goals and new plans for the next quarter.

Concurrent training should consist of a minimum of one
two hour session each month. Participants should include the
battalion commander, executive officer, staff and unit
commanders. The subjects taught during these periods should
include:

      Motivation

      Job Enrichment

      Participative Management

      Small Group Problem Solving

      Goal Setting and Adjustment

      Counseling Techniques

      Organizational Development

There are excellent short films available in the Army film
libraries that can provide background for discussion. These
training sessions could be integrated with regular monthly
officer calls and should provide an excellent climate for
improved communication.

As new arrivals enter in these key officer positions, the departee simply passes on his list of objectives. The newcomer is introduced to the MBO process in a series of one or two hour training sessions with the battalion's MBO consultant. With the old list of goals, the individual simply examines his new job and makes such adjustments as he deems necessary in preparation for his first objectives counseling session with his new boss. Through this process, the continuity of battalion goal directed activity is actually enhanced. The newcomer is fully integrated into the use of the MBO technique via the on-going training program.

STEP VIII: Obtain Interim Results - Continues Monthly

After the first review period the battalion commander and executive officer make monthly analyses of cumulative goals status for the battalion. Based upon the results received, inputs from higher headquarters or other situational changes it may be necessary to revise goals and priorities. For a major change in the program it may be necessary to go back to STEP VI and conduct a coordination program to revise plans. This step is designed to keep the commander up to date and allow him to maintain direction. Status input can be derived from normal monthly reports, visits to units or staff input. It is critically important that those contributing to improved results be given appropriate recognition at the time the determination is made (if possible).

STEP XI: Review Battalion Performance - End of 6th Month
(and every 6th month thereafter)

This final step closes the loop and consists of a battalion

cumulative objectives review. Commander, staff and unit
commanders should be present for this review and new planning.
Recognition should be given for outstanding accomplishment toward
the battalion's common goals. Unit plaques or trophies can
add to the incentive, but the emphasis should continue on future
direction and performance. New or unique ideas that have brought
success to a particular unit or staff element should be presented.
The final result should be an adjusted list of priorities and
goals.

In essence, this is one method of implementing MBO in a
battalion type organization. One should recall that the entire
approach demands flexibility and a willingness to encourage
feedback. Adjustments ean and should be made throughout the
process to meet the needs of a particular command and its
environment. Success depends a great deal upon four factors:

-The sincere determination of command wide goals that
contribute in a meaningful sense to the improved readiness of
the battalion.

-Open communication of these goals to the people who can
do something about them and a readiness to accept honest feedback
and suggested improvement.

-The willingness to delegate both authority and responsibility
throughout the command with the acceptance of the inherent in-
crease in associated risk.

-A continuous, bona fide attention to on-the-spot recognition
off achievement with appropriate rewards that are perceived as
meaningful by the individual and his peers.

CHAPTER 5

CONCLUSIONS

MBO Has Been Successfully Adapted in Many Areas

From the research it is evident that the process of MBO
as a management practice has been successfully applied in
many areas - including the armed services. With all of the
inherent problems in restructuring an organization, setting
quantifiable goals (where possible) and conducting time
consuming training and review periods, all of the cases examined
claimed overall program success. MBO as one method of
management, then, appears to have a universal application.
The differences in its use appear to be in the adjustments
of the process to differing situations. Many of the techniques
encompassed by MBO are simly those of long established good
management. Other methods have been adapted from successful
applications of the behavioral sciences. The MBO approach
combines research in human behavior with proven experience
in business and industry to apply the best of both in an overall
system of maximizing organizational accomplishment.

The interview and questionnaire studies examined, all
tend to support improved organizational goal identification,
planning and communication as major achievements resulting
from MBO programs. These findings were, again, attributable
to organizations performing considerably different functions.
From the bureaucratic to the more flexible business organization,
the process assisted in perceived significant change for the

86

better in these areas. As one method of enhancing these key
areas of management, the investment in MBO can provide a
worthwhile return.

People Centered Management is Key

From the analysis of the phases of the MBO process, it
is important to understand the depth of this approach. The
concentrated effort should not become 'another system' with
lock-step rules and mounds of paperwork. The restrictions on
management time are severe enough without such additions.
MBO should be so designed as to allow maximum use of
individual initiative. Decentralization and delegation are
important axioms of MBO, and must, in fact, be practiced for
program success. All too often management may espouse a
seemingly good technique, yet practice something entirely diff-
erent. Such dichotomy creates organizational stress that is
difficult to overcome. With decentralization comes added risk
of subordinate mistakes - especially in the initial stages.
Management must be aware of these possibilities, make allow-
ances for control and not over react to honest error.

An understanding of human motivation is essential. The
basic elements of precisely what determines the values,
attitudes and beliefs of the people in the organization should
be understood, insofar as possible. The MBO approach adopted
should be tailored to meet the needs of the organization and
its people. Professor Herzberg's 'motivators' and 'satisfiers'
should be taught and understood by managers throughout the
organization.

MBO Can Be Tailored For An Army Battalion

MBO has been used with claimed, varying degrees of success in Army organizations. The Department of the Army has, in effect, sanctioned its use as one management technique. With the use of the literature available, a battalion commander can tailor an MBO program for use in many types of peacetime environments. The process does require a significant amount of 'set up' time and its drawbacks should be understood. MBO should not be expected to solve all of a commander's problems. With careful implementation, however, its use can significantly improve goal direction, planning and communication throughout the battalion. The persistent effort to fully develop a system should result in a concentrated effort by all subordinates towards meaningful goals. The approach presented in this research is one of many variations that could be applied.

Recommendations

If MBO is to be the official approach in Department of the Army, then the technique should be implemented from the top down. A careful, systematic implementation could bring significant improvement i ac omplishment throughout this service. With all the many elements operating off essentially the 'same sheet of music,' the mutual planning and improved communications could lead to the highest readiness status possible under peacetime conditions. Care must be taken to insure that the program killing jargon and 'crash' implementation approach are not used. Such efforts in the past have destroyed many good concepts at the outset.

MBO requires a level of training for its best use.
Currently, this training is not presented in all Army career
schools. Training in the MBO process should be presented to
all students at branch and career (through War College) schools -
as one management technique that may be adopted if a commander
so desires. A basic publication or pamphlet should be developed
and published as a program guide for MBO use at the battalion
and company levels. One school should be selected to develop
a MBO correspondence course that could provide an extensive
background for in-house consultants at battalion level. Mobile
training teams could be established at the same school to provide
the initial training and consultant service for battalions
on an 'on-call' basis.

In referring to the Introduction to this thesis, one
should remember that there are a number of roadblocks to the
realization of the full value of the MBO process. Until the
disproportionate administrative requirements have been
drastically reduced, the battalion and unit commander will
continue to spend an inordinate amount of time in meaningless
work. Only through a sensible decision from the top to
eliminate the generation of unnecessary paperwork will commanders
be allowed to concentrate on goals directly related to the
organization's ability to enter or support combat. The
decentralization required in this technique will be difficult
for a lot of people conditioned by centralized management.
Perhaps the only method of reversing this outdated doctrine
will come after a long period of continuing education throughout

the Army school system. The 'crisis' type management and attempts by higher headquarters to measure unit readiness via devious means (CMMI's, road-side-spot-checks and the like) that bring about some of the 'crisis' can only undermine any attempts towards development of an open, supportive working environment dedicated to real improvement. These decisions are tough to make and require major changes by higher leaders in the Army in the ways they conduct their business. In essence, it requires a trust in people at all levels - a trust in their abilities and dedication to this nation's defense. The approach presented here is one method supporting that trust and allowing people in the Army the freedom to maximize their contribution.

> We are, at root, an Army of people
> not of machines nor policies nor struc-
> tures. We cannot substitute organizational
> efficiency for human concern; they are
> mutually supportive, not interchangeable.
> Organizational efficiency and effectiveness
> are necessary for the Army, but human
> concerns are vital.   67

---

67. Abrams, C.W., GEN, USA, "Emphasis Is On Readiness," Army,
    October, 1974, p. 9.

APPENDIX A

<u>Comparison of Herzberg's 'Motivator' and 'Hygiene' Factors</u>

This figure represents the overall results of Herzberg's study of work motivation of over 200 engineers and accountants in the metals industry. The research took place in Pittsburgh around 1958-59. The study consisted essentially of semi-structured interviews in which a list of the same questions was asked of each person interviewed. The 'High' factors relate to positive responses towards the work situation and the 'Low" factors correspond with negative statements. For example, 'Recognition' received both positive and negative statements; however, in this case the positive statements occured much more frequently. The width of the bars represents a ratio of the length of time (long to short) the responses affected the interviewees. The dashed line separates what Herzberg termed the 'motivators' or job satisfiers and 'hygiene factors' or dissatisfiers. It is significant to understand that both cate-gories are important to the individual; however, a change for the better in company policy will not necessarily serve to motivate an individual to do a better job. The 'motivators' provide an area for management concentration to improve performance. 'Achievement' and 'Recognition' are both strong motivators, but are of short duration and must receive continuing attention. 'Work Itself ,' 'Responsibility' and 'Advancement' are of considerably longer duration and should be understood as critical to long term job motivation. These areas should be carefully examined in design of a position or placement of a particular individual.

The Air Force Officer study, mentioned in Chapter 3, coincides with Herzberg's findings with the exceptions of 'Achievement,' 'Responsibility'and 'Company Policy and Administration' that have considerably stronger effects.

> Figure 1 shows the results of this basic hypothesis, the distinction between satisfiers and dissatisfiers, as it turned out from the results of our study. As indicated in the legend of this figure, the distance from the neutral area shows the percentage frequency with which each factor occurred in the high job-attitude sequences and in the low job-attitude sequences. The width of the boxes represents the ratio of long-range to short-range attitude effects; the wider the box, the more frequently this factor led to a long-range job attitude change. The factors of recognition and achievement indicate that the width of their boxes portrays a reversal in the long-range ratio. The attitude effects of both of these factors were substantially more short-range.   68

---

68. Herzberg, op. cit., pp. 80-81.

Herzberg's Comparison of Satisfiers and Dissatisfiers

Percentage Frequency
Low (negative response)

Percentage Frequency
High (positive response)
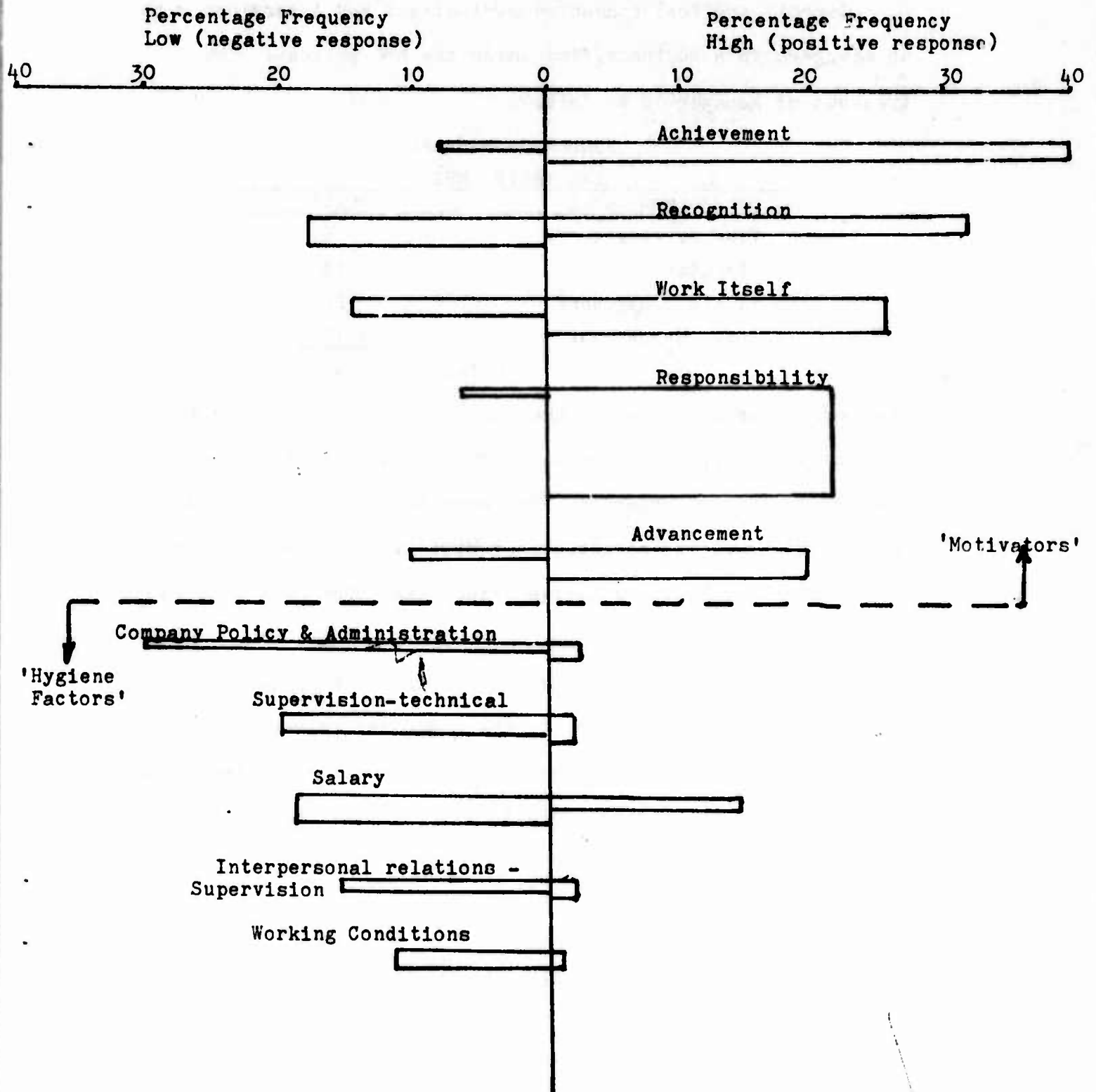
APPENDIX B

Carroll and Tosi Interview Study

Carroll and Tosi conducted semi-structured interviews with 48 managers in a business firm using the MBO process. The breakout of manager is as follows:

NUMBER OF MANAGERS
AND THEIR LEVELS

Management Level	Number
Vice President	6
Director	12
Middle Management	20
Lower Management	+ 10
Total	48

The interviewees were asked the same set of questions and the answers were accumulated by category according to the frequency of similar responses. For example, a question of 'What do you think are the advantages of MBO?' would have 24 out of 48 respondents answering to the effect that they know what is expected of them.

It is interesting to note some of the more frequent responses. For example, one of the suggested improvements had 50% stating that management should 'ensure review and feedback.' These areas could provide clues to a successful MBO program.

APPENDIX B cont'd.

Results of Carroll and Tosi Interview Study

PHILOSOPHY AND RATIONALE OF THE OBJECTIVES APPROACH

Rationale	n*	%
1. Link evaluation to performance	17	35.4
2. Aid manager in planning	12	25.0
3. Motivate managers	11	22.0
4. Increase boss-subordinate interaction and feedback	11	22.0
5. Develop management potential	8	16.6
6. Link company objectives to department objectives	8	16.6
7. Managers know what their job is	6	12.5
8. Give management information about what's going on at lower levels	4	8.3
9. Management club to pressure performance	3	6.25
10. No mention	7	14.5

* n=48 managers

ADVANTAGES OF MBO

Advantage	n*	%
1. I know what is expected of me	28	58.6
2. Forces planning and setting target dates	20	41.6
3. Forces boss-subordinate feedback and communication	15	31.2
4. Increases awareness of company goals	9	18.7
5. Documents goals relating evaluation to performance	8	16.6
6. Focuses on self-improvement	7	14.5
7. I know where I stand	6	12.5
8. Coordinates activity toward company objectives	6	12.5
9. Subtle pressure and motivation to perform better	5	10.4
10. Improves performance of used	4	8.3
11. Only general help	3	6.2
12. No advantages mentioned	5	10.4

* n=48 managers

APPENDIX B cont'd.

PROBLEMS AND DISADVANTAGES ASSOCIATED WITH MBO

Problem	n*	%
1. Excessive formal requirements	21	43.7
2. Not used to full potential	10	20.8
3. Need to consider different goals for different jobs and levels	7	14.5
4. Never get good feedback	7	14.5
5. I was never really involved with the program	7	14.5
6. It is undesirable to commit oneself to goals formally	5	10.5
7. Lack of information about personal characteristics	2	4.2
8. Nor real problems	18	37.5

*n=48 managers

SUGGESTION FOR IMPROVING THE OBJECTIVES PROGRAM

Suggestions	n*	%
1. Ensure review and feedback	24	50.0
2. Develop a way to update goals so that change can be noted	20	41.6
3. Use by top management so that their goals are known at lower levels	19	39.5
4. Include 'personal' evaluations in addition to goals	16	33.3
5. Top-management support for the program	15	31.2
6. Increase the understanding of the program and how to set goals	12	24.9
7. Include 'normal job requirements'	10	20.8
8. Due dates of program are incompatible with unit planning and control cycles	7	14.5
9. Ensure 'real' participation and involvement in goal setting	5	10.4
10. Others	11	22.9

*n=48 managers

APPENDIX C

The White Questionnaire Study

White conducted an ahalysis of 114 returns of a 41 item questionnaire submitted to managers of a state health-care facility. The 'coefficient of correlation' describes the relationship of the dependent variable (manager's attitude toward the MBO program) and the independent variable (item listed). Overall, 68.9% of the respondents had favorable or very favorable attitudes towards the MBO system while only 4% viewed the program as unfavorable. Again, it is interesting to study the results and note the strength of such items as 'Positive effect on communication' and 'Satisfaction with feeling in on decisions.'

APPENDIX C cont'd.

Results of White Study

Independent Variables	Coefficient of Correlation (r)	Level of Significance
Greater exposure to MBO	.37	.01
Frequency of goal-setting meetings	.23	.02
Frequency of progress-review meetings	.35	.01
Increase in contact with Superior in MBO	.28	.01
Satisfaction with changes in number of formal contacts with superior	.27	.01
Suggestions encouraged in goal-setting meetings	.26	.01
Relative number of suggested goals accepted by superior	.21	.05
Increased control over own activities	.42	.01
Clarification of own responsibilities	.31	.01
Increased responsibility as a result of MBO	.20	.05
Satisfaction with change in amount of responsibility	.39	.01
Feeling in on decisions as a result of MBO	.40	.01
Satisfaction with feeling in on decisions	.52	.01
Increased influence on superior as a result of MBO	.31	.01
Increased influence in the department	.33	.01
Satisfaction with the amount of information received about department operations	.25	.01
Satisfaction with the amount of information received about state home operations	.24	.02

APPENDIX C cont'd.

Independent Variables	Coefficient or Correlation(r)	Level of Significance
Positive effect on communication	.46	.01
Decreased quantity of worklaod	.17	.10
Perceived attitudes of superior towards MBO	.65	.01

APPENDIX D

Shetty and Carlisle Questionnaire Study

Shetty and Carlisle conducted an analysis of 109 responses to questionnaires submitted to faculty members of a public university using a MBO program. The system had been in effect for one year at the time the questionnaire was administered. The results in this figure are straight-forward and indicate significant improvement in 'Understanding department goals and priorities.' It should be noted that a large group perceived no significant change. Shetty and Carlisle attribute a sizeable part of this group to the more senior faculty members under tenure.

APPENDIX D

Results of Shetty and Carlisle Study

FACULTY REACTIONS TO MBO PROGRAM

(N=109)

Criteria hypothesized to represent the success of the Goal Setting Program		Degree of Perceived Change			
	Significant Improvement	Slight Improvement	No Change	Slight Decrease	Significant Decrease
	%	%	%	%	%
Understanding of department goals and priorities	15.6	31.1	48.6	2.8	1.9
Help in career planning and developing professional objectives	8.5	34.9	50.9	5.7	0.0
Understanding of department expectations	8.6	30.5	57.1	3.8	0.0
Accuracy with which performance was measured	7.0	30.0	58.0	5.0	0.0
Performance (productivity)	8.4	25.5	60.4	3.8	1.9
Support received from the department	6.7	24.0	63.5	4.8	1.0
Commitment to the university	5.6	21.5	65.4	5.6	1.9
Communication with the department head	4.9	14.6	75.6	4.9	0.0
Relationship with the department head	6.6	12.3	77.3	1.9	1.9
Relationship with the dean	5.7	12.3	69.8	4.7	7.5

APPENDIX E

Varney MBO Readiness Questionnaire

This appendix provides an example of the MBO Readiness Questionnaire that is used to determine an indication of the needs of an organization that is considering a decision to implement the system. The results of the questionnaire returns from 40 students in the C&GSC class of 1975 are presented with some possible indicators that may be useful towards supporting the initiation of a course of study in this process.

MBO READINESS QUESTIONNAIRE

Rank _____ Age _____

Last Position_____

Each of the following items describes some aspect of your
relationship with your subordinates and coworkers. Read each
item and then circle the response (1,2,3,4,5) which most
nearly reflects the extent of your agreement or disagreement.
Try to respond according to the way you would actually handle
the situation on the job.

THE BEST WAY TO GET GOOD PERFORMANCE FROM SUBORDINATES IS TO...	Agree Com-pletely (1)	Mostly Agree (2)	Par-tially Agree (3)	Mostly dis-agree (4)	Disagree Com-pletely (5)
1. Allow them extensive freedom to plan and organize their work.	1	2	3	4	5
2. Allow subordinates to set up special meetings and other ways to work out their differences and conflicts.	1	2	3	4	5
3. Not give them information unrelated to their immediate work.	1	2	3	4	5
4. Spell out exactly what their jobs are and what is expected of them.	1	2	3	4	5
5. Always insist that they solve their own work problems but be available as a con-sulting resource to them.	1	2	3	4	5
6. Maintain tight controls on all work to be sure things don't get out of hand.	1	2	3	4	5
7. Provide time, money and other resources so each person can develop his particular strengths and capabilities to the fullest.	1	2	3	4	5

Question	Agree Com- pletely (1)	Mostly Agree (2)	Par- tially agree (3)	Mostly dis- agree (4)	104 Disagree com- pletely (5)
8. Set up systems where infor- mation on performance results goes directly to the subor- dinate instead of the boss.	1	2	3	4	5
9. Discourage subordinate from getting involved in the 'why' of doing their job.	1	2	3	4	5
10. Bring subordinates together in joint meetings to make decisions and solve mutual problems.	1	2	3	4	5
11. Give them full information on their jobs, the department and the organization as a whole.	1	2	3	4	5
12. Tell subordinates where they are going wrong and convince them of the merits of changing their attitudes and approaches.	1	2	3	4	5
13. Solve problems for subordin- ates as quickly as possible so they can get back to work.	1	2	3	4	5
14. Allow subordinates to take responsibility for controll- ing and managing their own work.	1	2	3	4	5
15. Encourage subordinates to redesign their jobs around their capabilities.	1	2	3	4	5
16. Leave subordinates alone and count on them to get their jobs done.	1	2	3	4	5
17. Clamp down on conflict and friction between subordinates	1	2	3	4	5
18. Train subordinates to do their work according to standard procedures.	1	2	3	4	5
19. Insist that subordinates stick to their jobs and leave decisions and planning to you	1	2	3	4	5
20. Discourage subordinates from introducing new ways of doing their work without first checking with you.	1	2	3	4	5

INSTRUCTIONS FOR SCORING THE MBO READINESS QUESTIONNAIRE

1. Circle the following numbers: 1, 10, 11, 15 and 16.
2. X through the following numbers: 2, 5, 7, 8 and 14.
3. Underline the following numbers: 3, 4, 9, 19 and 20.
   Place a number '1' beside the circled and X'd questions where
   the response was either 1 or 2 (agree completely or mostly
   agree).
4. Place a number '1' beside the underlined and unmarked
   questions where the response was 4 or 5 (mostly disagree
   or disagree completely).
5. Add up the '1' for circled and X'd questions and mark the
   position on the MBO Readiness Profile under the S/J heading.
6. Add up the '1' for the underlined and unmarked questions and
   mark the position on the MBO Readiness Profile under the
   S/S heading.

HOW TO READ THE MBO READINESS PROFILE

If the score is close to the MBO range on the S/J scale, this is
indicative of the way in which the individual perceives his sub-
ordinates working under such a system. If the score is low, then
further work is needed to make the organization ready for MBO.

If the score is high on the S/S, this is indicative of the way in
which the person actually manages and would manage. Again of the
score is low, additional indoctrination will be necessary before
attempting to introduce MBO.

For best results the two scales, S/J and S/S, should correlate.
If they do not, for example, if the S/S scale is lower than the
S/J scale, then one should take a look at the various things that
the management is actually doing with people which may be contra-
dictory to what management tells them it would like them to do.
On the other hand, if the S/S scale is higher than the S/J scale,
the situation is probably that management is doing things that allow
an individual to function with freedom, as would be required under
MBO, however, management has not in fact helped the subordinate
to do independent work.   69

---

69. Varney, op. cit.

MBO READINESS PROFILE

S/J - Subordinate Job	S/S - Supervisor Job
How the person sees subordinates managing their jobs	How the person sees himself managing his own job.

MBO Range

Transitional Range

Non-MBO Range

9
8
7
6
5
4
3
2
1

9
8
7
6
5
4
3
2
1

Results from one section of the C&GSC class of 1975

Findings

Of the 51 questionnaires distributed, 47 were returned.
45 of the questionnaires were useable. (One had not completed
all responses and another had arbitrarily zig-zagged responses).
The computed scores from the 45 respondees were as follows:

Computed Scores:		Difference	Computed Scores:		Difference
S/J	S/S		S/J	S/S	
5	6	1	7	4	3
5	6	1	9	6	3
7	5	2	5	2	3
5	5	0	5	7	2
3	7	4	7	5	2
5	6	1	6	4	2
0	0	0	7	2	5
5	5	0	8	5	3
4	4	0	6	5	1
6	4	2	9	5	4
7	4	3	7	5	2
8	5	3	6	6	0
4	4	0	6	3	3
8	4	4	2	4	2
1	3	2	9	6	3
6	4	2	8	4	4
6	6	0	5	5	0
9	6	3	4	4	0
9	2	7	7	2	5
6	6	0	7	6	1
5	3	2	2	3	1
3	4	1	8	4	4
6	5	1			

Distribution

Category (S/J, S/S)	Number Responses	Percentage
3, 3 through 7, 7	36	80.0%
0, 0 through 3, 3	3	6.6%
4, 4 through 6, 6	17	37.7%
7, 7 through 9, 9	0	0.0%
Other (overlapping)	25	55.5%
Difference of 3 points or greater S/J over S/S	16	35.5%
5, 5 or greater	22	48.8%
Either number = 3 or less	12	26.6%
S/J = 5 or greater	36	80.0%
S/S = 5 or greater	23	51.1%

Analysis

Thirty-six of the responses (80.0%) fell within the range
of 3, 3 to 7, 7 indicating that most were in the 'transitional'
area. It is significant to note, however, that twelve (26.6%)
had one score in the 3 or below category. This would indicate
that there are a significant number who might need additional
training before the MBO system could be brought to full effect.
A large number (16 or 35.5%) have S/J scores exceeding the
S/S by greater than three points. According to Varney, this
indicates significant inconsistencies between what the
organizational management says and actually does - perhaps
indicating a need for review at higher levels. 48.8% (22)
respondees had scores of 5, 5 or better which reveals a
large percentage best mentally prepared to implement MBO.

Conclusions

Most of the resondents fell within the 'transitional' area with a large percentage best prepared for the MBO process. The difference between the S/J and S/S scale scores in a large percentage of the responses indicates a possible need for higher level Army management review to determine inconsistencies between stated policy and actual technique. The large number of responses with one score in the lower range indicates a need for training in behavioral management applications. There were a few attitudes that could, perhaps, be influenced by group training in the more successful techniques of applied human behavioral theory to Army management situations.

BIBLIOGRAPHY

BOOKS

Ackoff, Russell L. A Concept of Corporate Planning. New York: Wiley-Interscience. John Wiley and Sons, 1970.

Athos, Anthony G. and Coffey, Robert E. Behavior in Organizations: A Multidimensional View. New Jersey: Prentice-Hall, Inc. 1968.

Batten, J. D. Beyond Management By Objectives. American Management Association. 1966.

Bass, Bernard M., Cooper, Robert and Haas, John A. Managing For Accomplishment. Lexington, Massachusetts. Heath Lexington Books. 1970.

*Carroll, Stephen J. and Tosi, Henry L. Jr. MBO: Applications and Research. New York: Macmillan. 1973.

Dalton, Gene W., Lawrence, Paul R. Motivation and Control in Organizations. Homewood, Illinois: Richard D. Irwin, Inc. and The Dorsey Press. 1971.

Dalton, Gene W., Lawrence, Paul R. and Greiner, Larry E. Organizational Change and Development. Homewood, Illinois: Richard D. Irwin, Inc. and The Dorsey Press. 1970.

Drucker, Peter F. Management: Tasks, Responsibilities, Practices. Harper & Row, Inc. New York. 1973.

* Drucker, Peter F. Managing For Results. New York: Harper & Row. 1964.

Drucker, Peter F. The Practice of Management. New York: Harper & Row. 1954.

Eddy, William B., Burke, W. Warner and Dupre, Vladimir A. Behavioral Science and the Manager's Role. National Institute for Applied Science. 1969.

Frean, D. H. "Training MBO Advisors". Humble, J. W. ed. Management by Objectives in Action. New York: McGraw-Hill. 1970.

* Gellerman, Saul W. Management by Motivation. American Management Association. 1968.

Glendenning, J. W. and Bullock, R. E. H. MBO in Local Government. London: Charles Knight. 1973.

Herzberg, Frederick, Manser, Bernard and Snyderman, Barbara B.
    The Motivation to Work. New York: John Wiley & Sons, Inc.
    1959.

Hersey, Paul and Blanchard, Kenneth H. Management of
    Organizational Behavior, 2nd ed. Englewood Cliffs, New
    Jersey: Prentice Hall, Inc. 1972.

Hughes, Charles L. Goal Setting. American Management
    Association. 1965.

* Humble, John W. Improving Business Results. Berkshire,
    England: McGraw-Hill, Ltd. 1968.

* Humble, John W. Management by Objectives in Action. New
    York: McGraw-Hill. 1970.

Koontz, Harold. Toward a Unified Theory of Management. New
    York: McGraw-Hill. 1964.

Leavitt, Harold J. and Pondy, Louis R. Readings in
    Managerial Psychology. Chicago: The University of
    Chicago Press. 1964.

Likert, Rensis. The Human Organization: Its Management and
    Value. New York: McGraw-Hill. 1967.

Lippitt, Gordon L., This, Leslie E. and Bidwell, Robert G.,
    eds. Optimizing Human Resources: Readings in Individual
    and Organizational Development. Addison-Wesley. 1971.

Litwin, George H. and Stringer, Robert A. Jr. Motivation and
    Organizational Climate. Boston: Division of Research,
    Graduate School of Business Administration. Harvard
    University. 1968.

* Mali, Paul. Managing by Objectives: An Operating Guide to
    Faster and More Profitable Results. New York: Wiley-
    Interscience. John Wiley and Sons. 1972.

Marrow, Alfred J. Managing by Participation: Creating a
    Climate for Personnel and Organizational Development.
    New York: Harper & Row. 1967.

* Morrissey, George L. Management by Objectives and Results.
    Reading, Massachusetts: Addison-Wesley Publishing Company.
    1970.

* McConkey, Dale D. How to Manage by Results. New York: American
    Management Association. 1967.

McGregor Douglas. The Professional Manager. New York: McGraw-
    Hill. 1967.

Odiorne, George S. *How Managers Make Things Happen*. New
   Jersey: Prentice-Hall, Inc. 1961.

Odiorne, George S. *Management and the Activity Trap*. New
   York: Harper & Row Publishers, Inc. 1974.

*Odiorne, George S. *Management By Objectives.* New York:
   Pitman. 1965.

Odiorne, George S. *Personnel Administration by Objectives*.
   New York: Irwin, Inc. 1971.

Odiorne, George S. *Training by Objectives*. New York:
   MacMillan. 1970.

Olmsted, Michael S. *The Small Group*. New York: Random House.
   1959.

Olsson, David E. *Management by Objectives*. Palo Alto,
   California: Pacific Books. 1968.

Phillips, Gerald M. *Communication and the Small Group*. New
   York: The Bobbs-Merrill Company, Inc. 1966.

*Reddin, William J. *Effective Management by Objectives: The
   3-D Method of MBO*. New York: McGraw-Hill. 1970.

Rowland, Virgil K. *Managerial Performance Standards*. New
   York: American Management Assiciation. 1960.

Scanlon, Burt K. *Results: Management in Action*. Burlington,
   Massachusetts: Management Center of Cambridge. 1969.

Schleh, Edward C. *Management by Results*. New York:
   McGraw-Hill. 1961.

Shephard, Clovis R. *Small Groups, Some Sociological
   Perspectives*. San Francisco: Chandler Publishing. 1964.

Tiffin, Joseph and McCormick, Ernest J. *Industrial Psychology*.
   New Jersey: Prentice-Hall, Inc. 1965.

Toqiuri, Renato, *Behavioral Concepts in Case Analysis: The
   Relationship of Ideas to Management Action*. Boston: Division
   of Research, Graduate School of Business, Harvard University.
   1968.

*Varney, Glenn H. *Management by Objectives*. Chicago: Dartnell
   Corporation. 1971.

Wagner, Harvey M. *Principles of Management Science*. New
   Jersey: Prentice Hall, Inc. 1970.

PERIODICALS AND REPORTS

Abrams, Creighton W., GEN, USA. " Army 1974 - Emphasis is on
   Readiness," Army, October 1974.

Army Regulation, 5-1, Department of the Army, Washington, D.C.,
   6August 1973.

Baily, M.L., "MBO 3, Action 4 - An Effort Toward Reporting
   Efficiency," Defense Management Journal. January 1975.

*Barrett, F.D., "Everyman's Guide to MBO," The Business
   Quarterly, vol. 38, no. 2. Summer 1973.

Brady, Rodney H., "MBO goes to work in the public sector,"
   Harvard Business Review. March-April 1973.

Bray, Douglas W., "The Management Progress Study," American
   Psychologist. June 1964.

Byhan, W.C., "Assessment Centers for Spotting Future Managers,"
   Harvard Business Review. July-August 1970.

*Carroll, S.J. and Tosi, Henry L., "The Relationship of Goal
   Setting and Review Process in a 'Management by Objectives'
   System," Public Personnel Review, vol. 32, no. 3. July 1971.

Chartrand, P.J., "Business Planning in the Post Office," The
   Canadian Personnel and Industrial Relations Journal, vol. 18,
   no. 5. October 1971.

Chartrand, P.J., "From MBO to Business Planning," The Canadian
   Personnel and Industrial Relations Journal, vol. 18, no. 4.
   September 1971.

Cirillo, J.A., "Management By Objectives," Civilian Manpower
   and Management, vol. II, no. 2. Summer 1968.

*Cowen, John and Byrd, Richard E., "MBO: A Behavioral Science
   Approach," Personnel, vol. 51. March-April 1974.

Cummings, L.L., Schwab, Donald P. and Rosen, Marc, "Performance
   and Knowledge of Results as Determinants of Goal Setting,"
   Journal of Applied Psychology, vol. 55, no. 6 December 1971.

Department of Comptrollership, Finance School, U.S. Army
   Institute of Administration, "Management by Objectives."

DeRoco, Alan P. and Grutzius, Charles R, "Application of
   Management by Objectives to Naval Communications Management,"
   Thesis, Naval Postgraduate School, 1973.

Directorate for Plans and Analysis, U.S. Army Materiel Command,
   "Decentralization of Authority within AMC," December 1964.

V

Dorland, C. and Constant, D. "What do you do after you get rid
of computers?," *Management Review*, vol. 63, May, 1974.

Ferguson, R. F. "Better Management of Manager's Careers,"
Harvard Business Review, vol. 44, 1966.

Gill, J. and Molander, C. E. "Beyond Management by Objectives,"
Personnel Management, July, 1970.

Granger, Charles H. "How to Set Company Objectives,"
Management Review, July, 1970.

Grant, D. L., Katkovsky, Walter and Bray, D. W. "Contributions
of Projective Techniques to Assessment of Management
Potential," *Journal of Applied Psychology*, vol 53(1), 1969.

Grant, Donald D. and Bray, D. W. "Contributions of the
Interview to Assessment of Management Potential,"
Journal of Applied Psychology, vol. 51(3), 1967.

Hagauer, Richard W., Colonel, USAF. "Application of Management
by Objectives to Military Organizations," Thesis,
Industrial College of the Armed Forces, March, 1970.

Harris, William O. "Improving Federal Program Performance,"
Government Executive, September, 1973.

Hersey, Paul and Blanchard, Kenneth H. "What's Missing in
MBO?," *Management Review*, October, 1974.

* Herzberg, Frederick. "One More Time: How Do You Motivate
Employees?," *Harvard Business Review*, January-
February, 1968.

Hetland, R. R. "MBO-Let's Set Managing Objectives,"
Supervisory Management, vol. 18, February, 1973.

Hill, R. "How 'Ready Mixed' set Concrete Objectives,"
International Management, vol. 29, March, 1974.

Hoare, D. "Pricking the MBO Bubble," *Director*, vol. 25,
November, 1972.

Hokanson, William, A. "An Investigation of the Applica-
bility of Management by Objectives to the Command of Army
Battalions Not Engaged in Combat Operations," a student
thesis for the Command and General Staff College, 1969.

Horgan, N. J. and Floyd, R. P. Jr. "An MBO Approach to
Prevent Technical Obsolesence," *Personnel Journal*,
September, 1971.

* Howell, R. A. "A Fresh Look at Management by Objectives,"
Business Horizons, February, 1970.

Howell, R. A. "Management by Objectives: A Three-stage System," _Business Horizons_, Fall, 1967.

Humphrey, Albert S. "MBO Turned Upside Down," _Management Review_, August, 1974.

"Introduction to MBO," 5th printing, manual from _The Conference Board_, New York, 1973.

Ivanoevich, J. M., Donnelly, J. H. and Lyon, H. L. "A Study of the Impact of Management by Objectives on Perceived Need Satisfaction," _Personnel Psychology_, Summer, 1970.

Jackson, J. H. and Mathis, R. L. "MBO: Promises, Pitfalls, and Possibilities," _Personnel Administration and Public Personnel Review_, vol. 1, September, 1972.

Jones, Robert E. "Management by Objective: Theory and Practice," _Army Logistician_, May-June, 1974.

Kleber, T. P. "Six Hardest Areas to Manage by Objectives," _Personnel Journal_, vol. 51, August, 1972.

Koch, Donald L., Major, USAF. "Improving Organizational Maintenance Management in Military Airlift Command," Report, Air Command and Staff College, 1972.

*Lasagna, John B. "Make Your MBO Pragmatic," _Harvard Business Review_, November- December, 1971.

Levinson, Harry. "Asinine Attitudes Toward Motivation," _Harvard Business Review_, January-February, 1973.

*Levinson, Harry. "Management by Whose Objectives," _Harvard Business Review,_ July-August, 1970.

Mali, P. "Management Climbs the Decision Tree," _Administrative Management_, vol. 34, January, 1973.

"Management By Objectives-A Joint Venture," _Commanders Call_, Department of the Army pamphlet, Spring, 1974.

Management by Objectives Newsletter, vol. IV, no. 11, November, 1974.

"Management By Objectives," Canada Department of Agriculture, _Management Services_, Bulletin no. 10, October, 1971.

*McConkey, Dale D. "Applying Management by Objectives to Non-Profit Organizations," _SAM Advanced Management Journal_, January, 1973.

*McConkey, Dale D. "Implementation-The Guts of MBO," _SAM Advanced Management Journal_, vol. 37, no. 3, July, 1972.

McConkey, Dale D. "MBO-Twenty Years Later, Where Do We Stand?," *Business Horizons*, August, 1973.

* McConkey, Dale D. "Twenty Years to Kill Management By Objectives," *Management Review*, vol. 61, no. 10, October 1972.

McConkey, Dale D. "Writing Measurable Objectives for Staff Managers," *SAM Advanced Management Journal*, January, 1972.

* McGregor, Douglas. "An Uneasy Look at Performance Appraisal," *Harvard Business Review*, May-June, 1957.

*Meyer, H.H., Kay, E. and French, J. R. P. "Split Roles in Performance Appraisal," *Harvard Business Review*, January-February, 1965.

Mobley, William H. "The Link Between MBO and Merit Compensation," *Personnel Journal*, June, 1974.

Mockler, Robert J. "Situational Theory of Management," *Harvard Business Review*, May-June, 1971.

Murray, R. K. "Behavioral Management Objectives," *Personnel Journal*, vol. 52, April, 1973.

Oberg, Winston. "Make Performance Appraisal Relevant," *Harvard Business Review*, January-February, 1972.

Odiorne, George S. "Discipline By Objectives," *Management of Personnel Quarterly*, vol. 10, Summer, 1971.

Odiorne, George S. "Managing Bad Luck by Objectives," *Michigan Business Review*, vol. 26, March, 1974.

Odiorne, George S. "Management By Objectives: Antidote to Future Shock," *Personnel Journal*, April, 1974.

*Odiorne, George S. "The Politics of Implementing MBO," *Business Horizons*, vol. XVII, no. 3, June, 1974.

Oncken, William, Jr. and Wass, Donald L. "Management Time: Who's Got the Monkey?," *Harvard Business Review*, November-December, 1974.

Owen, Thomas B. Dr. "OMB's Emphasis on ;Objectives' Strikes Responsive Chord at NSF," *Government Executive*, December 1973.

Patton, Arch. "How to Appraise Executive Performance: Planned Performance," *Harvard Business Review*, January-February, 1960.

Patton, Thomas H. "OD, MBO and the R/P System: A New Dimension in Personnel Administration," *Personnel Administration*, vol. 35, no. 2, March-April, 1972.

Peters, D. H. "Reward Functions to Reinforce a Goal-Based Management Process," _Management Science_, vol. 18, August, 1972.

Raia, Anthony P. "A Second Look at Management Goals and Controls," _California Management Review_, Summer, 1969.

Reddin, W. J. "An Effective MBO Dictionary," _The Canadian Personnel and Industrial Relations Journal_, vol. 19, no. 4, September 1972.

Reddin, W. J. "Let's Change the Role of the MBO Specialist," _The Canadian Personnel and Industrial Relations Journal_, vol. 19, no. 5, October 1972.

Roche, William J. "Motivating People with Meaningful Work," _Harvard Business Review_, May-June, 1970.

Samaras, T. T. "Overcome Entropy of Your Office or Die," _Office_, vol. 77, March, 1973.

Schaffer, Robert H. "Demand Better Results - and Get Them," _Harvard Business Review_, November-December, 1974.

Shetty, Y. Krishna and Carlisle, Howard M. "Organizational Correlates of a Management by Objectives Program," _Academy of Management Journal_, vol. 17, no. 1, March, 1974.

Shropshire, Richard A. Major, USAF. "Control Through Management by Objectives," Report, Air Command and Staff College, 1970.

Stafford, Samuel. "'Political' OMB Cuts Agencies to Size," _Government Executive_, August, 1974.

Stait, N. "Genuine Style of Management," _Director_, vol. 26, April, 1974.

Thompson, Harvey A. "Comparison of Predictor and Criterion Judgements of Managerial Performance Using the Multitrait-Multimethod Approach," _Journal of Applied Psychology_, vol. 54, no. 6, 1970.

* Tosi, Henry and Carroll, S. J. "Managerial Reaction to Management By Objectives," _Academy of Management Journal_, December, 1968.

Tosi, H. L., Rozzo, J. R. and Carroll, S. T. "Setting Goals in Management by Objectives," _California Management Review_, Summer, 1970.

* Varney, Glenn H. Ph.D. "Management by Objectives: Making it Work," _Supervisory Management_, January, 1972.

* Villarreal, John J. "Management by Objectives Revisited," _SAM Advanced Management Journal_, April, 1974.

White, B. Frank and Barnes, Louis B. "Power Networks in the Appraisal Process," Harvard Business Review, May-June, 1971.

* White, Donald D. "Factors Affecting Employee Attitudes Toward the Installation of a New Management System," Academy of Management Journal, December, 1973.

Wilkinson, Robert N. "A Philosophy of Manpower Management," Defense Management Journal, July, 1974.

Wilsted, William D. and Hand, Herbert H. "Determinants of Aspiration in a Simulated Goal Setting Environment of the Firm," Academy of Management Journal, March, 1974.

Winning, E. A. "MBO-What's in it for the Individual?," Personnel, vol. 51, March, 1974.

Readings in Command and Management, RB 20-5, vol. 1, U.S.Army Command and General Staff College, August 1971.

Readings in Management, United States Army Logistics Management Center, August, 1970.